Austria	Sch22	Indonesia	Rp3100	Portugal	Esc100
Bahrain	Din0.650	Israel	Shk3.50	S.Arabia	Rls7.00
Belgium	BFr48	Italy	L1600	Singapore	S$4.10
Canada	C$1.00	Japan	Y500	Spain	Pta125
Cyprus	C£0.75	Jordan	Fils500	Sri Lanka	Rup30
Denmark	DKr9.00	Kuwait	Fils.500	Sweden	SKr9.00
Egypt	E£2.25	Lebanon	$1.25	Switz	SFr2.20
Finland	Fmk7.00	Lux	LFr48	Taiwan	NT$65
France	FFr6.50	Malaysia	Rm4.25	Thailand	Bt50
Germany	DM2.20	Mexico	Peso	Tunisia	Din0.850
Greece	Dr150	Morocco	Dh6.50	Turkey	L500
Hong Kong	HK$12	Neth	Fl3.00	UAE	Dh6.50
India	Rup15	Norway	NKr8.00	USA	$1.00

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,503 Thursday March 31 1988 D 8523 A

Gandhi: A pledge of reform renewed, Page 21

World News

Pressure grows for Meese to quit

US Attorney-General Edwin Meese faced growing calls for his resignation over what appeared to be a widening criminal investigation into his financial affairs and conduct in office. Page 22

Connecticut win keeps Dukakis hopes alive

The fight for the US Democratic presidential nomination remained unpredictable as the Michael Dukakis campaign gained pace with a victory in the Connecticut primary.

The Massachusetts governor beat black civil rights leader Jesse Jackson by more than two to one. Democratic race transformed, Page 24

Panama shops reopen

Supermarket chains in Panama reopened, weakening a 10-day-old general strike aimed at ousting military leader Manuel Antonio Noriega. Attempt to reopen banks, Page 3

Vassiliou mission

President George Vassiliou flew to London for talks with British Prime Minister Mrs Margaret Thatcher on efforts to reunite war-divided Cyprus by reopening stalled negotiations under United Nations auspices.

Pact presses for accord

Warsaw Pact foreign ministers ended a two-day meeting in Sofia with an appeal for as treaty to reduce strategic nuclear missiles and an unexpected call for new talks on restricting tactical weapons in Europe. Page 2

Paris bomb attack

A bomb exploded near South Africa's embassy in Paris less than 24 hours after the French representative of the ANC guerrilla organisation was shot dead in the city. Conservative tide rises in S. Africa, Page 4

Kidnap group identified

Western hostages in Lebanon were being held by a single group of professional kidnappers - the Islamic Resistance - a freed French hostage said.

Air crash near N-plant

A French Mirage fighter aircraft crashed and exploded just 2km from a West German nuclear power complex north-east of Munich after a mid-air brush with another fighter.

Punjab violence flares

A sudden escalation of violence in the Indian state of Punjab claimed another 34 lives in 36 hours and raised questions about whether Prime Minister Rajiv Gandhi's new anti-terrorism policy would succeed. Page 4

Rebel chief captured

The chief of the Philippines Communist Party's military wing, the New People's Army, was among leaders of the banned guerrilla movement captured in Manila. Page 4

Fiji PM under fire

Fiji Prime Minister Ratu Sir Kamisese Mara was attacked by two leading political groups as he started a long process towards restoring links with Britain and the Commonwealth. Page 4

Italian media strike

Italian journalists began a fresh series of strikes on pay and working conditions.

Emergency locust talks

The UN Food and Agriculture Organisation called an emergency meeting in Rome for April 6 and 7 as an invasion of locusts across North Africa continued to spread. Page 4

Edgar Faure dies

Veteran French politician Edgar Faure, who was twice prime minister and held seven cabinet posts in a political career that spanned 30 years, died in a Paris hospital aged 79. Obituary, Page 2

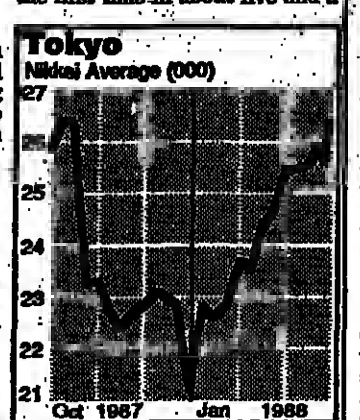
Business Summary

BAe makes special Airbus loss provision

BRITISH AEROSPACE, UK [illegible] concern, has had to make a £320m ($598.4m) special provision in its accounts to cover potential losses up to 1991 on civil aircraft manufacture, especially the European Airbus. Page 22; Lex, Page 22; Analysis, Page 28

STANDARD CHARTERED, troubled international banking group, reported a £274m ($512m) pre-tax loss for 1987 because of bad debts in overseas markets. However, it did not cut its dividend. Lex, Page 22; report, Page 23

TOKYO: Large-capital and high-technology stocks were in strong demand, helping to send share prices past the 26,000 mark for the first time in about five and a half months. The Nikkei average closed up 366.98 at the day's high of 26,320.07, only 326 points below its record high of 26,646.43 reached on October 14. Page 46



WALL STREET: The Dow Jones industrial average at 1pm was down 6.30 at 1,982.04. Page 46

LONDON: A steadier dollar gave London a note of confidence as it wound down for the long Easter weekend. However, trading was thin, and a broad lack of interest left the FT-SE 100 index down 8.2 at 1,786.9. Page 42

STERLING closed in London at $1.8700 ($1.8760); DM3.1125 (DM3.1075); Y233.75 (Y233.0); SFr2.5675 (SFr2.5700); FFr10.5350 (FFr10.5350). Page 35

DOLLAR closed in London at DM1.6640 (DM1.6615); Y125.0 (Y124.50); SFr1.3725 (SFr1.3735); FFr5.6325 (FFr5.6325). Page 35

TEXACO STOCK rose for the second day amid mounting excitement on Wall Street that the giant oil group, which is about to lose bankruptcy protection, will be drastically restructured or sold. Page 23

RUPERT MURDOCH, international media magnate, has won a court victory enabling him to retain ownership of the Boston Herald newspaper. Page 22

ERICSSON, Swedish telecommunications group, has won a £28m order to supply the Greek telecommunications network (PTT) with digital AXE exchanges. Page 6

LONG ISLAND LIGHTING, electric utility serving 2.7m suburban New Yorkers, has received a $960m takeover offer from state agency Long Island Power Authority, which would be the largest US public sector power acquisition in more than 40 years. Page 23

PETROLUBE, lubricating oil offshoot of Saudi state-run Petromin, has bought Petromin's lubricant blending plant in Jubail as the first move in a reorganisation of the Saudi oil industry. Page 25

PROTEST is mounting in France over Italian businessman Carlo De Benedetti's L1,600bn ($1.3bn) deal to sell the assets of his Buitoni food operations to Nestlé of Switzerland. Page 26

RANK ORGANISATION, UK leisure and entertainments group, has reached agreement in principle for a $100m-plus acquisition in the US. Page 32

THE FINANCIAL TIMES: The Financial Times will not be published tomorrow, Good Friday, or on Easter Monday.

Moscow 'may seek to develop airliners with the West'

BY DAVID MARSH IN BONN

MR HANNS ARNT VOGELS, chairman of Messerschmitt Boelkow Blohm, the leading West German aerospace company, has held out the possibility of an attempt by the Soviet Union to develop a new generation of civil airliners in partnership with Western aerospace groups.

Mr Vogels, whose company is the West German shareholder in the four-nation European Airbus group, said he believed the Soviet Union might make "signals" indicating "interest in a certain co-operation in developing long-haul aircraft with Western consortia." This could be either alone with Western Europe or with the US as well. "Europe must not be separated from America" over the issue, Mr Vogels said.

The Messerschmitt chairman has recently held talks with Mr Yuli Kvizinsky, the Soviet ambassador to West Germany. His comments come in the wake of intensive efforts by Boeing and McDonnell Douglas of the US, and Airbus Industrie to break into the market for airliners in Eastern European countries.

He said he believed the Soviet Union would prefer a co-operative airliner project to outright purchase of Western aircraft such as the Airbus. This was because Moscow's direct purchase of Western airliners could seriously damage its dominance of aircraft acquisitions by its satellite states in Eastern Europe.

Mr Vogels stressed the US and Western Europe would need to reach a common line on any Soviet approach on civil airliners, to guard against flows of militarily-sensitive technology to Moscow and to protect Western airliner manufacturers' own commercial position.

His comments follow increased signs that Mr Mikhail Gorbachev, the Soviet leader, is interested in stepping up technological collaboration with the West as part of *his economic reform drive*.

This line is backed particularly by Bonn. Mr Hans-Dietrich Genscher, the West German Foreign Minister, who stressed yesterday that East-West technological co-operation was a "contribution to stability" in the whole of Europe. Although West Germany was opposed to transferring militarily-useful know-how, Mr Genscher said that Western controls on technology transfer still left "a wide space" for East-West co-operation which was not at present being filled.

Western aerospace analysts believe the Soviet Union faces a major problem modernising its ageing Ilyushin and Tupolev range of pasenger aircraft for the 1990s. However, the problem of overcoming regulations policed by the Paris-based Cocom organisation on technology exchanges

Continued on Page 22

Four killed, 50 injured on day of Palestinian protest

By Andrew Whitley in Qalqilya, occupied West Bank

PALESTINIANS LIVING on both sides of Israel's pre-1967 border united yesterday to protest against the confiscation of Arab-owned land. At least four people were killed and over 50 injured by army gunfire in the occupied West Bank, on a day billed in advance by Defence Minister Mr Yitzhak Rabin as a trial of strength.

Hailing the army's success in quickly breaking up disturbances before they had time to develop, Major General Amram Mitzna, the West Bank Commander, confirmed that four people died during the day in his region.

Tightening still further access to information on events in the occupied territories, the Israeli authorities yesterday closed down the Jerusalem-based Palestine Press Service for six months, accusing it of links with a radical Palestinian faction.

How Palestinians marked the emotive anniversary of the 1976 killing of six Israeli Arab protestors varied greatly, depending on which side of the old "Green Line" border they happen to live in.

Qalqilya, the scene of some of the fiercest clashes with Israeli troops over the past four months, was silent as the grave. Lying in a salient of land just inside the occupied West Bank - sealed off entirely by troops since Monday night - the town was stifling under a round-the-clock curfew strictly enforced by patrolling army units.

Journalists are barred from entering the occupied territories until Friday, but I was inadvertently allowed to pass through the road blocks in the Qalqilya area in my car.

Five miles due north, in Israel proper, several thousand Palestinians staged a noisy but peaceful demonstration in thetown of Taibeh, where one of the "martyrs" from the original Land Day protest of 1976 had been shot.

However, many other towns and villages nearby, along the old border line, saw serious disturbances. Just a few miles north of Taibeh, inside the West Bank, 13 people were reported to have been injured by army gunfire.

To the east, around Nablus, and further south, in the Ramallah area, two villagers were killed. Around Hebron, another two died and more than 20 suffered bullet wounds. In one unexplained incident, a 15-year-old boy was shot and injured in the chest by a Jewish settler in the village of Beitunia.

Pound continues rise after Lawson defence of monetary policy

BY SIMON HOLBERTON IN LONDON

MR NIGEL LAWSON, the UK Chancellor of the Exchequer, yesterday strongly emphasised the Government's commitment to fight inflation and stressed that there had been no change in the policy of seeking exchange rate stability.

In evidence before the House of Commons all-party Treasury and Civil Service Committee, the Chancellor said the Government's decision to allow the pound to rise above DM3.00 was a necessary tightening in monetary policy. In the context of industry's control of its own costs he indicated that exchange rate stability did not mean that the pound could not rise or fall.

Following his remarks, sterling rose sharply in early New York trading. Against the D-Mark, it reached DM3.12, the highest for 18 months. On Tuesday night it had closed in New York at DM3.1091, having ended at DM3.1075 in London. Against the dollar, it was trading at $1.8780, compared with Tuesday's New York close of $1.8680 and the previous London close of $1.8705. At one point it reached $1.88.

Mr Lawson faced nearly two hours of intense questioning by committee MPs on his policy towards interest and exchange rates. His evidence followed a similar session on Monday where Mr Robin Leigh-Pemberton, Governor of the Bank of England, faced the committee.

The Chancellor was also questioned closely on the Treasury's forecasts for the current account of the balance of payments. The Treasury forecast a deficit of £4bn for 1988 and in the first two months of this year it amounted to £1.5bn.

Mr Lawson pointed out that only one year in the past seven had the Treasury been accurate in forecasting the deficit, which was the difference between "two very large numbers." He added that the Government's Autumn Statement would, as usual, carry an updated estimate of the deficit.

The Chancellor sought, however, to play down the significance of the deficit. He said it was readily financable, and sustainable.

It was his comments on the exchange rate, however, that drew most attention and caused the pound to soar on the foreign exchange market. He placed those comments in the context of no change in overall policy, which he defined as the battle against inflation.

Mr Lawson noted that the average rate of exchange for the pound against the D-Mark had fallen from DM4.56 in 1981 to DM2.94 last year.

"To move from that to a period of exchange rate stability is a strengthening of the struggle

Continued on Page 22

Displeasure in Tokyo, Page 4; Lex, Page 22; Currencies, Page 35; World Stock Markets; Page 46

Interest rates for home loans cut

A leading British savings institution and bank each cut its interest rate for home loans yesterday by half a percentage point. The moves mean it is likely other lenders will soon have to reduce their own rates. Page 10

Iranians in first clash with the forces of Kuwait

BY RICHARD JOHNS IN LONDON

THE GULF WAR took a potentially ominous new turn yesterday as Iranian and Kuwaiti forces clashed for the first time in the conflict, which has lasted more than seven-and-half years.

Kuwait's Ministry of Defence said two of its servicemen had been killed when three Iranian gunboats attacked the island of Bubiyan.

Tehran Radio denied the attack, and quoted war information headquarters as saying: "What the Kuwaitis claim is a figment of the imagination of the emirate's rulers."

Shortly after the incident, Mr Mohammed Foroughi, the Iranian Chargé d'Affaires in Kuwait, was summoned by the Foreign Ministry and delivered a strong protest.

It was not clear last night which side had fired the first shot.

Western diplomats said that the military exchange could have been accidental but expressed apprehension that Tehran might be trying to open a "new front" in a bid to halt Iraq's continued missile attacks on Iranian cities.

They pointed out that Iran's supplies of Soviet-manufactured Scud B missiles appeared to be drying up and speculated that Iran might be planning to put pressure on Kuwait to persuade its ally, Iraq, to end the "war of the cities".

While continuing to support Iraq materially and morally, Kuwait has assiduously sought to avoid any direct involvement in the military conflict. At the same time it has strengthened its military positions on Bubiyan, a flat, marshy and uninhabited 300 square miles opposite Iraq's Faw peninsula, captured by Iran early in 1986.

Between September and December last year Iran fired six Silkworm missiles at Kuwait's oil installations. Recently Kuwait had been trying to improve relations with Iran and had planned to send two delegations to Tehran to reopen its embassy there. The embassy was closed in September last year after an Iranian mob had attacked it.

Iraq yesterday struck the Iranian city of Isfahan with three missiles. Tehran Radio said five people had been killed and buildings, including a mosque, destroyed.

Iran said that it had retaliated with air raids on Sulaymaniyah in which 10 tonnes of bombs had been dropped on military garrisons and broadcasting stations.

In the Gulf the 259,477-tonne Cypriot-registered tanker Anax was set on fire by Iraqi aircraft. No casualties were reported.

Shipping sources said at least one missile, probably fired by a French-made Mirage jet, started a fire in the engineroom of the Anax south of Iran's main oil terminal at Kharg Island.

Eleven days ago, Iraqi jets struck their most devastating single blow at Kharg, attacking the terminal and two supertankers loading oil there. Shipping sources said more than 50 seamen were killed.

Genscher call on chemical arms, page 2.

UK and French computer services groups to merge

BY ALAN CANE IN LONDON AND GEORGE GRAHAM IN PARIS

CAP GROUP, one of Britain's leading computing services companies is to merge with Sema Metra, its French equivalent, in an attempt to create a significant new force in the world market for computing services.

With a combined worldwide turnover last year of about £250m ($467.5m) and a staff of 6,400, the merged company - to be called Semacap - will be similar in size to the newly-enlarged UK company, Systems Designers, which completed its acquisition of Scicon from British Petroleum last week.

Both will still be smaller than the largest European-owned computing services company, CAP-Sogeti Gemini, which had a worldwide turnover of about £330m last year and has, until now, been the only European-owned company in the world computing services first division.

Computing services companies, with their special skills in software and systems integration, are seen as having a key role in the development of the new computer systems for financial services, retailing and distribution, power generation and defence, expected in the 1990s.

The business is dominated worldwide by US companies such as Electronic Data Services and Automated Data Processing, both with revenues of over $1bn.

Under the deal, which has yet to be approved by shareholders of the two publicly-quoted companies, CAP is offering 24 of its shares for each Sema Metra share. That values Sema Metra at £94m.

The new company, with net assets of £48m, will be based in London for tax and legal reasons.

Sema Metra is over 60 per cent owned by Paribas, the major French bank. CAP's largest shareholder is Britain's National Coal Board Pension Fund.

The French Finance Ministry is understood to have approved the deal, which has also been given the green light by the French and British defence ministries. Both companies have significant defence contracts.

Mr Barney Gibbens, CAP founder and chairman, will be non-executive chairman of Semacap. It will be run jointly by Mr Pierre Bonelli, Sema Metra director general and Mr Michael Smith, CAP managing director.

The major motivation for the merger was the need for size to command a worldwide presence and the two companies' desire for success in the European Community open market, intended to be achieved by 1992, Mr Smith said yesterday.

CAP is strong in the UK, the Netherlands and Singapore, with a small presence in the US. Sema Metra is strong in France, Spain, West Germany and Belgium.

Volvo buys out Leyland Bus

BY JOHN GRIFFITHS IN LONDON

VOLVO, the Swedish automotive, engineering and food group, has bought for an undisclosed sum Leyland Bus, the formerly UK state-owned bus group sold to a management consortium last year for £4m ($7.5m).

The deal will make Volvo the largest bus-makers in Western Europe, a position previously held by Daimler-Benz of West Germany.

The cash purchase by Volvo was described only as involving "multi-millions."

It comes less than 24 hours after the UK Government announced plans for the sale of Rover Group, the state-owned automotive concern, to British Aerospace for £150m, entailing equity write-offs and a new cash injection totalling £3.78bn.

Since the UK Government provided £55m for restructuring of Leyland Bus to allow the management buy-out, yesterday's announcement by Volvo seems certain to fuel further criticisms of Government over-generosity in its privatisation programme.

The equity in Leyland Bus was held by Mr Ian McKinnon, until yesterday chief executive, and five management colleagues. Their buy-out was backed by a consortium of institutions led by Bankers Trust.

Mr McKinnon will stay on the Leyland Board, but in a non-executive capacity. His colleagues in the buy-out will mostly stay within Leyland Bus's management team.

He said yesterday that the team had decided to sell out

Continued on Page 22

Strengthening omnibus, Page 9

CONTENTS

RADICAL OUTSIDER COMES IN FROM THE COLD

How the Rev Jesse Jackson has forced US Democrats to think the unthinkable, Page 22

Finsider faces EC fines over rescue proposals

BY WILLIAM DAWKINS IN BRUSSELS

FINSIDER, the loss-making Italian state-owned steelmaker, was last night facing the threat of substantial fines from the European Commission following the group's failure to provide details of its latest rescue plan.

Mr Peter Sutherland, the Commissioner responsible for competition policy, demanded an explanation of the L6,000bn(£2.8bn) rescue package early this month, from Mr Luigi Granelli, the Italian Minister for State Participation.

The Rome authorities had failed to reply by yesterday's deadline, which means the Commission now has the power to fine Finsider up to 1 per cent of its annual turnover for evading its obligations under EC steel regulations. The rescue plan, which involves 25,000 job losses, is temporarily on ice because of the absence of an Italian Government to approve it.

Nevertheless, the Commission wants to examine the package now because it believes Finsider's losses, of L1,500bn last year, have reached a level where they threaten Community aid discipline. EC competition rules forbid public aid for the steel industry in all but a handful of instances.

EC officials were yesterday emphasising that they were more interested in obtaining details of the package from Finsider than in rushing into a legal fight. Brussels' letter asks for information on whether credit being granted is on fully commercial terms.

The plan envisages liquidating Finsider and splitting its operations into a potentially profit-making venture, Ilva, with the rest in a subsidiary with debts of more than L7,800bn to be sold or closed.

Brussels has warned the Italian Government that it will not hesitate to enforce repayment of state aid if necessary. The Commission has said it would countenance exceptions for Finsider – a move which would need the unanimous agreement of the 12 EC member states – only if the company offered adequate cuts in its 10m tonnes of hot rolled strip production capacity. Hot rolled strip accounts for a third of the EC's overall 30m tonnes of steelmaking overcapacity.

Thatcher visit aims to cement links with Turkey

BY JIM BODGENER IN ANKARA

NATO SOLIDARITY in the wake of the European missiles agreement and assurances of expanding business for Britain are the most specific goals of the visit by Mrs Margaret Thatcher to Turkey from April 6-8.

Its overriding purpose is affirmation of the thriving diplomatic and business links between the two countries which will be enhanced when President Kenan Evren visits Britain in June.

Mrs Thatcher's will be the first official visit by a British Prime Minister, although Winston Churchill stopped over briefly at Adana in the south-east during the war. She will seek to bolster Turkey's confidence in Nato without seeking or making definitive pledges. Turkey is under pressure to accept more short-range nuclear weapons launchers, but Mrs Thatcher is unlikely to force such a sensitive matter.

She will stress, however, that the intermediate-range missiles agreement makes it all the more important that Turkey modernise any out-dated military equipment.

Mr Turgut Ozal, her Turkish counterpart, is likely to seek support for his country's application for full membership of the European Community. Its application met a chilly reception in European capitals last spring when Britain, in common with other EC members, considered it too early on both diplomatic and economic grounds.

The UK's resistance has since been mitigated by the steady revival of Turkey's EC association agreement and Mr Ozal's democratic mandate from last November's general election. However, Mrs Thatcher and her advisers will attempt to come up with a supportive compromise which will satisfy Ankara without pre-empting the European Commission's decision on the application.

The Turkish press has been buzzing with rumours that her visit will result in significant progress on the Aegean and Cyprus, building on the breakthrough in previously hostile Turkish-Greek relations achieved by Mr Ozal and his Greek counterpart, Mr Andreas Papandreou, in Switzerland in January.

Diplomats caution, however, that Mrs Thatcher will confine herself to support for the role of Mr Javier Perez de Cuellar, the United Nations Secretary General in proposals for a settlement of the Cyprus question, which broadly concurs with the Turkish position.

The UK is Turkey's third largest EC trading partner behind West Germany and Italy, fifth largest export market, and sixth largest import supplier, and Britons are in the van of visitors to Turkey.

Mrs Thatcher will point up promotion of British business by a ground-breaking ceremony for the $130m contract awarded recently to the UK's AMEC International and Turkish contractor Kutlutas for the first phase of a project to expand and convert Ankara's gas distribution network to natural gas. The award is supported by the first ever UK government-to-government concessionary loan to Turkey, valued at £69.5m.

But she is not expected to offer any more aid, apart perhaps from that already made to entice the award of third Bosporus bridge to a consortium including Trafalgar House, instead of to the lowest quote of $171.5m from the Turkish contractor Sezai Turkes-Feyzi Akkaya.

During the visit officials accompanying Mrs Thatcher will concentrate on lucrative supply and joint-manufacturing defence contracts in Turkey's $15bn drive to modernise its armed forces.

British contractors, including Marconi, Plessey, British Aerospace and Westland, are bidding to update the Turkish military's radar systems, supply a low-altitude air defence system, radio communications, and jointly make helicopters.

Plans for the purchase or local manufacture of Tornado fighter aircraft are not on the military's immediate agenda, the Turkish Defence Minister, Mr Ercan Vuralhan, said this week, but are for BAe's Rapier missiles.

Last but not least, Mrs Thatcher and Mr Ozal can find common ground in their free-market economic philosophies. Both have frequently expressed admiration for each other's policies. They even share the same birthday. The omens augur well for even closer UK-Turkish political and economic ties in 1988 and beyond.

Belgium sets record for gap between governments

BY DAVID BUCHAN IN BRUSSELS

BELGIUM yesterday set itself a 108-day record for hiatus between governments, with serious negotiations for a new five-party coalition expected to start next week.

The country has been under the caretaker premiership of Mr Wilfried Martens since the December 13 election, which effectively broke his centre-right coalition. The previous record gap of 107 days between proper governments was in 1978-79.

For more than two months, Mr Jean-Luc Dehaene, a close colleague of Mr Martens in the centrist Flemish Christian Democrat party, has been trying to lay the ground for a five-party coalition between Flemish and French-speaking Christian Democrats and Socialists, plus Volksunie Flemish nationalists.

Despite mixed results, he was formally asked by King Baudouin this week to try to form a government on this basis.

Belgians have a more entertaining spectacle – the shareholders' meeting of Societe Generale de Belgique – on April 14. Then, Mr Carlo de Benedetti, the Italian financier, is to have his showdown with other major stakeholders for control of Belgium's largest company.

Bid to end strike in Stepanakert

By Leslie Colitt in Moscow

ONLY BASIC public services operated yesterday in strike-bound Stepanakert, capital of the ethnically disputed region of Nagorno-Karabakh, where Communist party officials visited the homes of strikers to try to persuade them to return to work.

While the politically motivated strike wave continued in the largely Armenian-populated region, a month-long curfew was lifted in the Azerbaijani city of Sumgait.

The curfew was imposed after 32 people – 26 of them Armenians – were killed in ethnic clashes in Sumgait.

Fearing possible unrest elsewhere in Transcaucasia, the Soviet authorities banned spontaneous demonstrations in the Republic of Georgia as they had done previously in Armenia and Azerbaijan.

The newspaper Sovietskaya Rossiya said yesterday that the "normal rhythm of life is being established a little" in Stepanakert. Party workers were contacting strikers in an attempt to "establish a dialogue," the newspaper said, noting that they were "not always successful." On the whole, the "feeling of tension remains."

Officials in Nagorno-Karabakh voted last month to be reunified with the nearby Soviet Republic of Armenia. This was rejected by Moscow, however, which is the cause for the latest labour unrest.

An indication of the extent of the work stoppages in Nagorno-Karabakh was given by the newspaper Komsomolskaya Pravda, which said only 120 workers out of 1,500 came to work at a shoe factory last Monday. The director of the plant called the mass absenteeism "sabotage."

Warsaw Pact presses for N-arms accord

BY JUDY DEMPSEY IN VIENNA

FOREIGN ministers of the Warsaw Pact yesterday ended a two-day meeting in Sofia with an appeal for a treaty to reduce strategic nuclear missiles and an unexpected call for new talks on restricting tactical weapons in Europe.

The meeting, which covered a wide range of military issues, implied that preparations for a treaty halving strategic nuclear missiles, could be concluded and be ready for signing when President Ronald Reagan and Mr Mikhail Gorbachev meet in Moscow at the end of May.

"The treaty on medium- and shorter-range nuclear missiles is only the beginning. All efforts of each and every state must be pooled to build on the recent progress and developments," said the Pact statement.

The appeal, addressed to Nato and all the participating states of the Conference on Security and Co-operation in Europe, also included references to the informal talks in Vienna on conventional force levels. Those talks are aimed at giving new impetus to reducing conventional weapons from the Atlantic to the Urals.

Yesterday, in a surprise move, the Warsaw Pact dropped its insistence that tactical nuclear weapons should be included in these talks. "Separate negotiations on reducing tactical nuclear weapons in Europe" should be started without delay, the appeal said, adding that these negotiations "should include dual-capable (conventional and nuclear) warheads."

The appeal also dealt with the new negotiations of confidence and security building measures which have been agreed in principle at the Vienna follow-up meeting of the CSCE. The Warsaw Pact restated its earlier position that the new talks should include naval and air forces, which the US opposes.

The foreign ministers also called for a ban on nuclear testing and a new convention prohibiting the use of chemical weapons which they said, should be drawn up in 1988.

Genscher call on chemical arms

BY DAVID MARSH IN BONN

THE RECENT poison gas attack on a Kurdish town in the Iran-Iraq war, which led to heavy loss of life, underlined the urgent need to ban chemical weapons worldwide, Mr Hans-Dietrich Genscher, the West German Foreign Minister, said yesterday.

Speaking at a press lunch, he indirectly took the US Administration to task for not having made sufficient progress on a chemical weapons ban with the Soviet Union.

"I fear that the danger of use of poison gas in regional conflicts has grown larger, not smaller," said Mr Genscher. He termed as "absolutely necessary" a speedy move on outlawing such weapons, adding that Bonn would do "all in its power" to help bring about a breakthrough this year.

Mr Genscher, like other senior figures in the Bonn Government, voiced anxieties that chemical arms talks could be overshadowed by US-Soviet efforts to clinch an early accord on halving arsenals of strategic nuclear weapons.

President Ronald Reagan and Mr Mikhail Gorbachev had pledged more than two years ago their intention to eliminate chemical weapons, Mr Genscher pointed out. Since then, the danger of proliferation and use of chemical arms had grown, while the Soviet Union had accepted Western ideas for on-site verification. "The necessity has become greater, while changes in the Soviet attitude have reduced resistance (towards an accord)," he said.

Genscher: anxieties

Mr Genscher also said he thought the next US Administration would stick to an understanding that US chemical weapons would be removed from West German territory by 1992. This promise was made in an exchange of letters between Mr Reagan and Chancellor Helmut Kohl, but because it does not have the status of a treaty, some US officials have been hinting that it does not bind the future administration in Washington.

● Iraq's ambassador to London was summoned to the Foreign Office yesterday to be told of the UK Government's "gravest concern" over reports that chemical weapons have been used in the war with Iran, the Press Association reports.

Boeing in bid for Iceland air defence deal

BY GEORGE GRAHAM IN PARIS

BOEING, the US aerospace group, has formed a joint venture with Thomson CSF of France and Plessey of the UK to bid for the supply of a Nato air defence system for Iceland.

The Iceland Air Defence System contract, which is expected to be awarded by the US Air Force on behalf of the Atlantic alliance in mid-1989, will be the first in a new generation of command, control and communication (3C) systems linking the island into the Nato defence network.

Boeing, besides building the Awacs early warning aircraft, is currently engaged on the development of Saudi Arabia's "Peace Shield" air defence system, while Thomson CSF, the publicly quoted defence electronics subsidiary of the French state-controlled Thomson group, has led the installation of 3C air defence systems in France and elsewhere, including Brazil and Indonesia.

Thomson recently achieved an important breakthrough in US defence co-operation when it received approval for a technology sharing agreement with Texas Instruments of the US over the development of a new radar for France's Rafale fighter aircraft project.

Plessey, meanwhile, is part of the group now developing the Improved UK Strategic Air Defence Ground Environment.

OBITUARY

Faure: twice Premier of France

MR EDGAR FAURE, twice Prime Minister of France, died yesterday in hospital at the age of 79, George Graham writes.

In a long political career begun in exile in Algeria during the Second World War, he held practically every French political office, but unlike Mr François Mitterrand, the other great survivor from the Fourth Republic, he never reached the presidency itself.

President Mitterrand yesterday paid homage to "this remarkable man who marked the history of our Republic and placed his exceptional talents at the service of peace."

Mr Jacques Chirac, the Prime Minister, described him as "a real modernist, sometimes even a visionary."

Radical socialist at the beginning, he was twice excluded from the party before being named honorary chairman of the much altered radical party in 1979.

His political travels took him to the Gaullist Union pour la Defence de la Republique, ancestor of Mr Chirac's RPR party, and back to the centrist Union pour la Democratie Francaise.

In the campaign for the presidential election next month, however, he backed Mr Chirac against the UDF's candidate, Mr Raymond Barre.

He finished by carving himself a niche as an outspoken maverick able to reconcile both left and right. Once distrusted by the hard-line Gaullists, by the end he had no political enemies left.

"It is not the weathercock which turns, it is the wind," he liked to remark.

Mr Faure held his first government portfolio at the finance ministry, where he was to return on five separate occasions.

His first spell as President of the Council, or Prime Minister in the Fourth Republic, lasted 40 days in 1952. He returned in 1955, and in nearly a year in office laid much of the groundwork for the decolonisation of Morocco.

Alone among the Fourth Republic's prime ministers, he returned to hold government portfolios under the Fifth Republic. Under General Charles de Gaulle, he served first as minister of agriculture and then, following the student riots of 1968, took over the education ministry.

The decidedly left-wing educational reform bill he pushed through parliament earned him the resentment of the diehard Gaullists, and on de Gaulle's withdrawal in 1969, he was pushed out by the incoming President Georges Pompidou. Pompidou too, however, was to call on his services in 1972 as minister for social affairs.

Austrian Chancellor puts off visit to Prague

BY JUDY DEMPSEY IN VIENNA

CHANCELLOR Franz Vranitzky of Austria said yesterday he had postponed an official visit to Prague because of "government changes" which are due to take place in Czechoslovakia.

The April 17-20 visit would have been the first by an Austrian Chancellor for 14 years. Relations between Vienna and Prague have remained poor since Soviet-led tanks crushed the Prague Spring reform movement in 1968, although recently there have been modest signs of improvement.

Mr Miloslav Pavel, the Czechoslovak government spokesman, confirmed on Tuesday that the government changes included the merging of the ministries of Metallurgy and Heavy Engineering, General Engineering and Electro-technical Industry. Transport and Post and Telecommunications would also be merged.

Sources in Prague, however, could see little reason for Mr Vranitzky to cancel the visit because of such relatively minor changes. "Unless, of course, the Prime Minister (Mr Lubomir Strougal) was to be replaced," said one Western diplomat.

The Chancellor was due to have talks with Mr Strougal, a reform-minded economist whose future has been the subject of speculation over the past six months. There is also uncertainty about Mr Bohumil Chnoupek, the Foreign Minister, who was allegedly involved in a big corruption scandal in Slovakia last year.

Lubbers heads for victory over Dutch spending cuts

BY LAURA RAUN IN AMSTERDAM

THE DUTCH Parliament has been locked for the past three days in intensive debate over whether to shrink further the country's generous welfare system.

Mr Ruud Lubbers, the Prime Minister, appeared to have won the anxiously awaited battle to cut more than Fl 3bn (£867m) in government spending and Fl 3.5bn in personal and corporate taxes and welfare premiums.

However, the opposition Labour Party, with support from the governing Christian Democrats, appeared likely to win some minor concessions.

But the Government's expected concessions on tax cuts, youth wages, jobless and child benefits seemed a small price to pay for support from potentially rebellious Christian Democrats. They had threatened mutiny on the radical Fl 12.5bn reform package because it was castigated as favouring the rich at the expense of the poor.

MPs were to vote late last night on a handful of motions and, barring unexpected twists, Mr Lubbers appeared set to add impetus to his drive to rein in the rampant welfare state, cut the yawning budget deficit, and trim heavy taxes.

The economic and social reforms are designed to take the Christian Democrat-Liberal centre-right coalition to the end of its term, to 1990, and to prepare the Netherlands for the single European market of 1992.

The Dutch spend more on welfare, pay higher taxes, finance a bigger state budget deficit, and suffer higher unemployment than most countries in the European Community. But that must change if the Netherlands is to compete in a barrier-free Europe, Mr Lubbers warns.

Under the package expected to be approved, the budget deficit is supposed to fall by two percentage points to 5.25 per cent of national income by 1990 through a fresh batch of austerity measures. More than Fl 3bn would be cut in government spending next year by trimming welfare benefits and ministry budgets.

The Netherlands' steeply progressive taxes on personal income would be lowered across the board, bringing down the top rate from 72 per cent to 60 per cent. Corporate income taxes would be reduced from 42 per cent to 35 or 36 per cent for profits above Fl 250,000. Companies will no longer have to pay premiums for child benefits, which would be shifted to the state.

Whether the package will help solve the country's economic problems, however, is questionable. Economic growth is seen slowing this year to 1 per cent, the lowest pace since the early 1980s, and picking up only modestly in coming years.

Unemployment has not fallen below 14 per cent in five years, and will probably rise over the next two years. A rapidly ageing population means soaring health care costs, while the working population, which foots the bill, shrinks.

When the package was unveiled earlier this month, Mr Lubbers cautioned that the welfare state must be modernised in line with these demographic trends.

The Government had sought to thin out the ranks of the chronically unemployed by ending generous jobless benefits sooner and substituting lower welfare benefits. It also wanted to extend the minimum wage for youth to encourage employment among young people. But both proposals seemed headed for a veto.

Welfare benefits for young people were also to be pared to provide more incentives to work. That, too, also appeared likely to be rejected.

After the emergency debate, for which MPs sacrificed part of their Easter holidays, important questions remain over tha Netherlands' fitness for the 1990s and beyond. Bread-and-bntter issnes still come before high-flown talk of a single market, and Mr Lubbers must live with that.

Health protests in Poland

BY CHRISTOPHER BOBINSKI IN WARSAW

MOUNTING protests by Polish doctors and nurses over the state of the country's health service have prompted the Communist party leadership to examine the issue at a special meeting.

Some 20,000 medical personnel have signed a petition protesting about low pay, inadequate facilities and shortages of medicines. The banned Solidarity movement has called for a public protest on April 7, World Health day.

The protests started in February when despite official assurances it became clear that the compensation paid to health workers for food price rises would still leave them far behind wage levels in industry.

Reports of government meetings suggest that attempts may be made to raise extra revenue by introducing health care charges.

Yugoslavia-IMF talks progress

By Aleksandar Lebl in Belgrade

THE HEAD of the International Monetary Fund team negotiating a new standby arrangement with Yugoslavia left Belgrade yesterday after 10 days' talks, with most difficulties reportedly settled.

Although details of discussions are not known, it appears that the standby arrangement will be for a shorter period than Yugoslavia had sought – \$400m-\$500m over 12 or 18 months instead of three years. The conditions include a substantial reduction in inflation, cuts in budgetary expenditure and tight wage controls.

Judy Dempsey on a minority community — today 80,000 strong — which remains deeply uncertain about its identity

The tragedy of the Jewish legacy still haunts Hungary

At a time when Austria is slowly but painfully trying to come to terms with the past, in particular with 1938 which witnessed the destruction of the country's Jewish community, neighbouring Hungary has still openly to confront the tragic legacy of 1944.

Few Hungarians want to remember March 19 1944, the day the German army marched into Hungary.

Over 600,000 Jews were living in Hungary at that time. Even though successive Hungarian governments, partly for nationalist reasons as well as pressure from Hitler, had already passed several anti-Jewish laws, the Jews remained there. "We felt ourselves to be Hungarian first and Jewish second," one survivor said.

The deportations started on March 29 and within two months, a half a million Hungarian Jews were transported to Auschwitz. Today, around 80,000 Jews live in Hungary but they remain deeply uncertain about their identity.

Those Jews who survived, in particular the younger generation, coped by simply not discussing the holocaust. They remained silent. Many parents refused to tell their children what had happened and why. The veil of silence is being slowly lifted 45 years later.

"Our children are asking questions about their Jewish past," said one Hungarian writer. "What can we tell them? Where do we begin?"

Jews and Germans started coming in their thousands to Hungary to the nineteenth century on condition they adopted the Hungarian language, customs and traditions. Many Jews had little difficulty in quickly assimilating. Between 1867 and 1918, "the golden era" for Hungarian Jews, they genuinely regarded themselves as an integral part of the Hungarian nation.

Like the Jews in Vienna, many participated in the cultural and economic life of the country. But like Austria too, the carve-up of the Hapsburg empire in 1918, which reduced Hungary's territories by two-thirds, left a bitterness in the country which was channelled into anti-semitism and nationalism.

Again, parallel with Austria's weak democratic traditions and fascist movements in the 1930s, Hungary's own fascist Arrow-Cross party, coupled with indecisive and weak governments, facilitated the explosion of a myth onto which Hungarian Jews clung: the myth of assimilation.

"We felt we were Hungarians but when it came to the crunch, it was the Hungarians themselves who put us into the ghettos and later onto the deportation trains. They did not perceive us as Hungarians. That is why we have remained silent for so long. The myth has been destroyed. Where can we go? We can't return to our Jewish roots. We remain Hungarians even if others think otherwise," one old Hungarian acquaintance argued.

After the Communist takeover in 1948, the fate of the Hungarian Jews was never officially discussed. It would have meant confronting the question of moral responsibility as well as the role of Hungarians in the deportations.

In the 1970s, however, several writers started addressing 1944. One of them was Ms Maria Ember, a survivor of the deportation. In her novel, "Hairpin Bend" she wrote: "What is discussed here is not only the fate of Jews but also Hungarian history. If we are trying to comprehend the horrors of 1944, then it is impossible to avoid the examination of Jewish fortunes and Hungarian history together".

But official histories of this period remain silent. They have yet to "fill in the blank spots" concerning the relationship between Hungarians and Jews in and after 1944.

The Hungarian authorities, however, made some attempt by finally publishing in 1984 a book called "The Jewish Question in Hungary after 1944" – a seminal work on anti-semitism by Mr Istvan Bibo, one of Hungary's greatest thinkers. He died, unrehabilitated, in 1979. His book received few official reviews. Nevertheless, it was a cautious signal for other writers to openly discuss the subject.

But official ambiguity towards the past prevails. When, in 1985, the editors of Medvetanc, a remarkably intellectually lively journal, devoted an entire issue to Jewish identity in Hungary since the war, the authorities responded by suspending publication.

"They don't know how to confront the past yet," says one Hungarian writer. "They are unsure. They, too, prefer silence." Yet to other matters, the Hungarian authorities are trying to preserve the outward signs of Hungarian Jewry.

Hungary is the only country in eastern Europe and the Soviet Union which has a rabbinical seminary. A fortnight ago, it upgraded it's relations with Israel by opening an "interests" office in Tel Aviv while the Israelis opened an office in Budapest. There are plans to renovate the synagogue in Budapest and last year a centre for Jewish studies was established at the university. But do these developments provide a substitute for silence in the past?

The Jewish community is divided on this issue. Mr Andras Kovacs who has written extensively on the subject and who one of the contributors to Medvetanc, recently wrote that "Hungarian Jews do not want to develop a separate articulated self-consciousness...Most Jews sought relief from the burden of the Jewish question by silence..."

The official leadership of the Jewish community is equally uncertain about discussing the past and how it would affect relations between the official Hungarian jewish community and Hungarians. Mr Andras Losonci, president of the Central Board of Hungarian Jews recently told Mr Karoly Grosz, the Prime Minister, his fears about the "present increase in anti-semitism".

"It is our age-old dilemma. If we stand out, not in a religious sense, but if we are involved in the arts or in the economy, we are often identified as being 'different' and therefore not perceived as being fully 'Hungarian.' When we thought we were assimilated, 1944 showed how 'different' Hungarians perceived us," a Hungarian economist argued.

Hungarian writers themselves are divided on the historic and contemporary relationship between Hungarians and Hungarian Jews.

Tha province-based "populist" school of writers, who are nationalist in outlook and are increasingly preoccupied with the future of the Hungarian language, particularly the fate of those Hungarians living beyond Hungary's borders who are denied their cultural and ethnic rights, harbour anti-semitic sentiments.

These are frequently directed towards the "urbanist" writers who are based in Budapest and who, traditionally, are more westward-looking and liberal-minded. This division within the Hungarian literary establishment goes back to the 1930s when questions were then raised about the "purity" of the Hungarian language and if it was being diluted by the minorities.

These questions are now coming to the surface again. But this time, Hungarian Jews have no illusions. Silently, they will continue to regard themselves as Hungarians. Few, however, can expect deep understanding from the dominant culture.

FINANCIAL TIMES

Published by the Financial Times (Europe) Ltd., Frankfurt Branch, represented by E.Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societaets-Druckerei-GmbH, Frankfurt/Main. Responsible editor: G.D. Owen, Financial Times, Bracken House, Cannon Street, London EC4P 4BY. © The Financial Times Ltd, 1988.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. US subscription rates \$365.00 per annum. Second-class postage paid at New York NY and at additional mailing offices. POSTMASTER, send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

Baker points to debt conversion as way forward

BY ANTHONY HARRIS IN WASHINGTON

MR JAMES BAKER, the US Treasury Secretary, yesterday threw his weight behind debt conversion packages of the type launched last month by Mexico, despite the limited success of this issue, and clarified the reasons for his own fierce opposition to schemes involving outright debt forgiveness.

He said that the Mexican offer, which allowed banks to convert discounted existing claims for long bonds secured against US Government zero-coupon bonds, showed that many banks were interested in such market-driven exchanges.

"However, they will only entertain them at rates well above the thin secondary market values for such debt," he added. "Wa expect further development of these kind of market debt conversion options."

Claiming that the existing programme of market-directed policies in the debtor countries and market-driven solutions to debt restructuring were achieving notable progress, he denounced any radical alternative.

"We should not be misled by the promise of 'global solutions' of one sort or another," he said.

"To be direct, I believe that this path leads both debtors and creditors off the cliff. It would irreparably politicise the debt problem, distracting both from the difficult but fundamental economic adjustment tasks. It would ancourage counter-productive debt repudiations, and shift the risk on commercial loans to taxpayers in the creditor countries. I simply cannot endorse such schemes."

Mr Baker was addressing the Senate Appropriation Committee in support of the US Budget provision to provide its share of the general capital increase for the World Bank and the eighth replenishment of the International Development Agency.

He asked for an appropriation of $1.3bn for the multilateral development banks (MDBs) as a group. This would meet this year's scheduled instalments in full, but would not provide anything to meet past US funding shortfalls. These shortfalls would be addressed in the 1990 Budget.

Surveying the work of these institutions, he stressed that they provided much support in areas of strategic importance to the US, including a number of countries that did not at present receive any bilateral US assistance.

On the progress of the existing programme of debt rescheduling and policy-related MDB lending, he claimed that the main debtors had improved their growth rates, drastically improved their debt-service-to-export ratios and had succeeded in attracting a renewed inflow of private capital, and especially of previons flight capital, to finance their economies.

EFFORTS TO REVIVE THE FINANCIAL SYSTEM HAVE BEEN MET WITH SCEPTICISM

Panama attempts to re-open banks

BY TIM COONE IN PANAMA CITY

THE PANAMANIAN Government is to attempt a reopening of the country's paralysed financial system today under a series of restrictions to prevent a renewed run on bank deposits.

However, some foreign bankers are sceptical of the success of such a move under current conditions.

Under two decrees issued by the country's banking commission yesterday, the 125 foreign and local banks that operate in Panama are being instructed to renew cheque clearing operations as of today on cheques that have been issued since the banks were closed on March 3.

Any outstanding balances between the banks have to be settled by April 6. The National Bank of Panama however will settle any outstanding balances it has with creditors in cheques rather than in US dollars cash "until funds are unfrozen in the United States."

To prevent a renewed wholesale withdrawal of deposits that triggered the banks' closure at the beginning of the month, only 25 per cent of the current account balances existing on March 3 can be withdrawn during the next 90 days, up to a maximum of $10,000.

Only 5 per cent of deposit and savings accounts may be withdrawn in the same period, up to a maximum $50, whilst all tima deposits are being rolled over for a further three months before any can be withdrawn.

For many of the foreign banks, time deposits form the vast bulk of their deposits.

Foreign bankers in Panama yesterday expressed scepticism that a reopening of the financial system is feasible under the present conditions. "There has to be cash in the system to support it and that does not seem to exist at the moment," said the manager of one European bank.

No explicit threats have been made against banks that might refuse to reopen, but there is an implicit threat that Government intervention could follow.

General Manuel Antonio Noriega, the head of the country's 16,000 strong defence forces, whose resignation is being demanded by the US Government and a growing opposition movement in Panama, made a defiant speech in the capital on Tuesday night saying "this is not a problem of just one man. It is a problem of Latin American dignity. It is a battle over the last vestiges of colonialism on the continent," referring to the Panama Canal.

His speech was made to a gathering of political parties from across Latin America and the Caribbean in which he appealed for Latin American solidarity with Panama.

General Noriega argues that the US pressure against him is aimed at eventually renegotiating the 1979 Torrijos-Carter treaty which will hand over control of the Canal to Panama on December 31st 1999.

Meanwhile, Mr Eric Delvalle, the recently-deposed Panamanian President, has made a call from hiding – although he is thought to be in the US-controlled Panama Canal Zone – for a direct US military intervention in Panama to dispose General Noriega.

Mr Marlin Fitzwater, the White House spokesman, said in Washington on Tuesday that "our patience has limits" following the arrest and beating of several US journalists in Panama on Monday night. He added "we are certainly disposed to examine all the energetic options available, but our policy continues to be the same and our intention is not to use military force."

A US assault carrier, USS Okinawa, with 30 helicopters aboard anchored at the US naval base of Rodman in Panama yesterday. The US Government has claimed that the ship's arrival is "routine."

Sarney avoids harsh action on deficit

BY JOHN BARHAM IN SAO PAULO

PRESIDENT JOSE SARNEY has once again shied away from taking decisive policy decisions to avert impending recession and hyper-inflation.

After a two-hour meeting with his economic ministers this week to discuss emergency spending cuts, Mr Sarney agreed to adopt a few painless measures that are unlikely to affect the Government's deficit.

Mr Mailson Nobrega, the Finance Minister, wants the President to act aggressively to bring the federal deficit down to 3.5 per cent of gross domestic product this year, half the deficit now being forecast for 1988. Mr Nobrega wants immediate action on the public sector wages.

He has already warned that the federal payroll will probably exceed revenues by the end of the year unless wages are cut immediately. Mr Sarney yesterday refused to do that for the second time in one month.

Special aid for Contras

US HOUSE leaders agreed yesterday on new humanitarian aid for Contra rebels and pledged a speedy vote on any future military aid if the Nicaraguan government broke its ceasefire accord with the rebels, Reuter reports from Washington.

The House of Representatives was to vote later on the $44.7m aid package which would give $17.7m to the Contras, $17m to child war victims, $10m for verification of the 60-day ceasefire.

The agreement on a new vote should Managua cause the ceasefire to collapse met a main objective of Contra supporters.

Venezuelan economy grows 1.7%

By Joseph Mann in Caracas

THE VENEZUELAN economy grew by 1.7 per cent last year, compared with increases of 6.8 per cent in 1986 and 1.3 per cent in 1985, according to revised figures on gross domestic product (GDP) released by the Central Bank.

Even though petroleum exports rose sharply last year to $9.1bn, compared with $7.2bn in 1986, overall economic activity slowed down in 1987. This was mainly due to a major devaluation of the Venezuelan currency at the end of 1986, and to a lack of private sector confidence in official economic policies.

Inflation last year reached 40.3 per cent, the highest level in recent history. The Government hopes to keep the cost of living increase to between 15 and 20 per cent this year. Businessmen generally expect very modest growth in 1988, a year when the presidential campaign dominates Venezuela's national scene.

World Bank loan

The World Bank has approved a $400m quick disbursing loan to assist banking sector reform in Argentina, Reuter reports from Washington.

"The main objectives of the programme are to increase deposit mobilisation and confidence in the banking system, improve credit allocation, and reduce the cost of credit," the Bank said.

Argentine bombing

Four people, including two police officers, have been injured in a wave of bomb attacks at cinemas in Bnenos Aires, Our Correspondent writes.

Although there was little indication of who was responsible, suspicion focused on dissident military officers or their civilian sympathisers.

US order books up in February

By Anthony Harris

NEW US ORDERS for manufactured goods declined again in February, after reaching an all-time peak in December. But order books increased for the 12th successive month to reach $412.3bn. This is equivalent to two months' output at recent rates.

Despite the fall from December, orders in the first two months of 1988 have been 10.7 per cent higher than in the same months in 1987, and order books are now 11.4 per cent up on the year.

Inventories also rose again in February, but the 0.5 per cent increase was the smallest since September. The ratio of inventories to shipment was almost exactly the same as it was a year ago, providing further confirmation that fears of a slowdown enforced by overstocking have been greatly ovarstated. Tha inventory problems appear to be concentrated in imported goods, and in distributors' stocks of clothing.

The growth of output and orders in recent months has been almost entirely in the durable goods sector. Orders and shipments for non-durables show little change, and February shipments were close to the average for the last five months at $97.9bn.

Volcker appointment

Mr Paul Volcker, former US Federal Reserve Board chairman, and David Elliott, president of MBIA Corporation, have been elected directors of MBIA, AP-DJ reports from New York. Mr Volcker will also serve as a consultant.

MBIA is the holding company of Muncipal Bonds Investors Assurance, a leading insurer of municipal bonds.

Mr Volcker is chairman of James Wolfensohn, a New York investment banking firm.

Surinam and Netherlands reconciliation hopes rise

BY CANUTE JAMES

SURINAMESE Government officials expect the Netherlands to resume aid of about $100m a year following a visit there this week by Mr Hans van den Broek, the Dutch Foreign Minister.

Mr van den Broek's visit completes efforts by both governments to repair relations which became strained last year after the Netherlands withdrew its ambassador to its former colony following charges by the military Government that the envoy was assisting anti-Government rebels.

The military administration has since been replaced by an elected civilian government. The Netherlande had earliar suspended aid of $100m per year after the army murdered 15 Government opponents in 1982.

The aid is part of a $ 1.5bn package over 15 years, and which was promised when Suriname became independent of the Netherlands in 1975. The Dutch Government earlier said a resumption of the aid will depend on a report from Mr van den Broek following his visit this week.

The Netherlands is concerned about what it said was a deterioration of human rights under the military Government. The foreign minister will be seeking assurances from President Ramsewak Shankar that alleged human rights violations will end.

The renewal of Dutch aid would do much to shore up the economy of the nation of 400,000 people located in north east South America. The economy was badly damaged by an 18-month rebel insurgency which attempted to overthrow the former military Government.

The bauxite mining and aluminium smelting operations, on which the economy is 80 per cent dependent, were temporarily shut down by rebel attacks.

OVERSEAS NEWS

Israelis and allies in Lebanon attack

ISRAELI troops and their militia allies invaded the southern Lebanese village of Kfar Roummane on Wednesday after pounding it with artillery and setting houses ablaze, Reuter reports.

Eleven people, including two women, were killed in fierce street battles between the attacking force and fighters of the pro-Iranian Hizbollah (Party of God) and the Shia Moslem Amal militia, hospital and security sources said.

The force of 150 South Lebanon Army militiamen, accompanied by Israeli officers and backed by tanks and armoured vehicles, occupied parts of the village for seven hours before pulling out.

Shocked residents emerged from their shell-pocked houses, several of which were still on fire, after the attackers withdrew to Israel's self-declared south Lebanon security zone two miles away.

Some screamed for help in panic. Others packed belongings ready to flee

In Tel Aviv, security sources denied that Israeli troops were involved but said SLA militiamen searched Kfar Roummane for gunmen who had fired at nearby SLA posts.

SLA officials in Marjeyoun inside the security zone, set up by Israel in 1985 to protect its northern borders from guerrilla attack, said Israeli officers took part in the operation. Israeli gunners covered the advance by shelling Kfar Roummane and surrounding villages from Ibl al-Saqi village inside the zone, they said. Two SLA men were wounded in the fighting.

The SLA sources said Moslem gunners later fired more than 50 shells into the Christian town of Jezzine, wounding two civilians and an SLA man. Jezzine, outside the zone, is held by the SLA.

Israel court refuses to let Press into West Bank

ISRAEL'S Supreme Court rejected a petition of the Foreign Press Association (FPA) yesterday to open the occupied West Bank and Gaza Strip immediately for news coverage, Reuter reports from Jerusalem.

But it ordered the Government to explain within 30 days why Israel should deny the media full, free access to the areas beyond an unprecedented three-day closure in effect until Friday morning for a key Arab protest day.

Mr Michael Elkins, vice chairman of the FPA, which groups journalists working here for foreign news organisations, said: "We see it as a clear signal to the authorities that if they have in mind extending the closure beyond the three-day period, they should give it some considerable additional thought."

Army Chief Lieutenant-General Dan Shomron said on Monday the closure could be extended if needed to avert riots beyond yesterday's Land Day anniversary of the 1976 killing of six demonstrating Arabs.

The FPA protested against the closure, appealed to the Supreme Court and rejected an army offer of escorted travel.

China and Saudi Arabia 'to develop closer ties'

CHINA and Saudi Arabia are developing closer commercial and political links with a view to eventual establishment of diplomatic relations, Islamic and Asian diplomats said yesterday, Reuter reports from Peking.

They were commenting on China's public disclosure that it has supplied Saudi Arabia with ballistic missiles and that the two are setting up a joint venture in Peking.

Saudi Arabia recognises the Nationalist regime in Taiwan as the legitimate government of China. It is the only major Arab nation not to have established diplomatic ties with Peking.

But an official Chinese newspaper reported on Tuesday that unnamed members of the Saudi royal family would soon visit Peking in connection with plans to invest $25m in an Islamic culture centre and restaurant in the city.

The China Daily indicated that this was the first joint venture between Saudi Arabia and China.

But Islamic diplomats said that Riyadh had already put money into several "secret" projects in China, including chemical production and food processing.

They added that although this was the first time that China had publicised a visit by a member of the Saudi royal family, it was possible secret missions had taken place.

The Washington Post said on Tuesday that Riyadh's ambassador to Washington, Prince Bandar bin Sultan, visited China two years ago to negotiate the purchase of Chinese medium-range missiles.

FAO calls locust meeting

BY FRANCIS GHILES

THE Food and Agriculture Organisation is convening an emergency meeting in Rome on April 6 and 7 as an invasion of locusts across North Africa spreads over an ever-wider area.

Tunisia, Algeria, Morocco, Libya and Mauritania, which already been affected are to attend, together with others that could blighted – such as Egypt, Sudan, Saudi Arabia, Mali and Niger – and all aid donors.

It is the worst plague of locusts in 30 years. Since the beginning of the emergency four weeks ago an estimated $30m has been spent in fighting the plague.

The worst hit country during the past week has been Tunisia where the locusts have reached as far north as the coastal resort of Sousse. Yesterday they descended on Monastir just south of Sousse. The Tunisians managed to avoid damage to the extensive olive groves around Sfax, south of Monastir by burning old car tyres.

Eugene Terreblanche of the 'neo-nazi' AWB

Anthony Robinson looks back on a disastrous month for the government in Pretoria

The conservative tide rises in South Africa

TUESDAY NIGHT'S third consecutive by-election trouncing for the ruling National Party (NP) by the white-supremacist Conservative Party (CP) was the last, but not unexpected disaster, in what has been a bleak month for the South African government.

Confirmation of a still rising conservative tide makes it even more imperative for President Botha to reach an agreement with the coloured (mixed race) Labour Party and postpone general elections from 1989 to 1992.

The last month has shown that the government has paid a high price both at home and abroad for policies which have made it appear, in words once used by Mr Pietro Nenni, the veteran Italian socialist, a government "strong with the weak, and weak with the strong."

On the very eve of the election the security forces were sent into Botswana in a raid which underscored the hard-line anti-ANC tactics which won worried English-speaking voters in last May's whites only general election. Before this the ban on 17 extra-parliamentary black opposition groups, the arrest or water-cannoning of priests and threats against church leaders, the contrast between insistence that the law run its course in the case of the Sharpeville Six and President P.W.Botha's personal intervention to prevent a Namibian murder trial involving South African soldiers, all painted the picture of a ruthless government indifferent to domestic or international criticism and careless of the consequences.

The net result has been another powerful shot in the arm for the flagging sanctions and disinvestment lobbies, especially in the US congress.

Meanwhile the same government has appeared unwilling or unable to do more than slap the wrists of the uniformed neo-Nazi Afrikaner Weerstandsbeweging (AWB) and clearly has no intention of invoking the harsh laws against incitement to racial hatred, against either the AWB or a Conservative Party which appeals unashamedly to raw, racist emotionalism.

Neither the toughness nor the kid-gloves appeared to have had any effect on the largely rural voters of Standerton and Schweizer-Reneke earlier this month, nor on the 30 per cent English speaking, largely working and lower middle-class, urban constituency of Randfontein. The conservative, anti-government tide is running strong, and it is running deep.

The full extent of the split in Afrikanerdom caused by the NP's policy of "reformism" is now becoming clear. Only 16 MPs crossed the floor with Dr Andries Treurnicht to form the CP in February 1982. But 30 per cent of white voters supported the CP or even further rightwing HNP in the May 1987 elections.

No less than 43 per cent voted for the right in the Orange Free State, even though they won no seats thanks to the vagaries of the first-past-the-post voting system.

At Randfontein this week over 60 per cent of voters opted for the CP, whose candidate, Mr Corne Mulder, the 29-year-old son of the charismatic late Dr Connie Mulder, polled 8,437 votes, over 400 more than his late father, while the NP, which polled 6,267 votes in May, dropped to 4,726.

The 22 seats won by the CP last May were all in the Transvaal. On present performance they could win as many as 50 of the 176 white seats in the House of Assembly if the general election is held next year.

At that point, South African political observers believe, the NP could become vulnerable to defections from within its own ranks. Party insiders estimate that as many as a third of the government's MPs are closet Conservatives.

Tired after 40 years in power, bereft of new ideas or any charismatic successor to the ageing President Botha, the government appears to be pinning its hopes of recovery on an economic boom which is now underway, but which risks being aborted by balance of payments restraints made worse by sanctions and disinvestment.

On this analysis the US congress is emerging as the CP's best friend.

A bomb exploded near the South African embassy yesterday, a day after the killing of the Paris representative of the African National Congress, Reuter reports from Paris. The device, hidden in a plastic bag, went off early in the morning less than 100 metres yards from the heavily-guarded embassy in Paris's Left Bank quarter, shattering windows and damaging a car. Police said no one was injured. Police investigating Tuesday's murder of Dulcie September, the ANC representative, said it bore the hallmark of a professional assassin. In Marseilles, attackers in two cars sprayed the South African consulate with buckshot on Tuesday.

Dumping dollars too publicly earns official displeasure in Tokyo

BY STEFAN WAGSTYL IN TOKYO

IN EUROPE and the US pouring oil on the troubled waters of currency markets is left to governments. Private companies can mostly say what they like.

In Tokyo, this distinction is not so clear-cut. When ministers and central bank officials issue statements predicting peace for the US dollar and prosperity for the US economy, they do not expect to be contradicted – at least not in public.

Private disagreements are permitted, so is oblique criticism, especially if it comes from the the corporate planning office rather than the boardroom. But it is seen as somewhat disloyal for company chairmen to stand up and declare in public that the government view is wrong, whatever they may think and do in private.

The authorities' ultimate aim is to discourage Japanese from selling dollars. The effect is probably to make such sales more discrete. To that limited extent, the Japanese authorities can claim some success, if Tuesday's furious denial from Japanese life insurance companies that they were dumping dollars is anything to go by.

In a rare public statement, the Life Insurance Association of Japan described as totally groundless market rumours that they were busy selling dollars, or that they planned to do so in the new financial year starting tomorrow.

Mr Tatsuo Nakada, a senior association official and managing director of Asahi Mutual Life, said exchange rate stability was essential for asset management. Speculative selling of dollars ran against the investment principles of life insurance companies.

The Japanese authorities will have been well pleased with Mr Nakada's words – especially as the dollar almost immediately recovered some of its recent fall against the yen.

The life insurers' standing will as a result have risen a notch or two in the eyes of officials at Japan's Ministry of Finance – no bad thing at a time when deregulation is constantly changing the rules governing the different rival groups of companies in the Tokyo markets.

However, Mr Nakada's comments revealed very little of what they were ostensibly about – the life insurers' policies towards the dollar. He did not touch on the underlying reason for currency traders' concern about the life companies' foreign investment plans – namely the fact that the financial year which ends today will be the third in succession in which Japanese insurers have posted huge exchange losses.

The authorities have long been doing their best to try to ensure that Japanese commentators do not bad-mouth the dollar. Periodically, the Finance Ministry has issued discrete warnings to economists and traders to stop supplying newspapers with pithy remarks about the US currency's collapse.

The central bank meanwhile has been collecting data from Japanese banks in a bid to identify which of their clients have been rocking the boat by selling dollars. The results have unfortunately not been published. But at non-Japanese banks in Tokyo, which are excluded from the investigation, turnover is said to have soared.

The unwritten rules say that the authorities will leave an escape hatch open as long as financial companies promise to use it only when no-one is looking.

Feature: Japanese savings, Page 20

Rebel military leader captured in Manila

By Richard Gourlay in Manila

THE HEAD of the Philippines Communist Party's military wing, the New People's Army, was among top leaders of the banned guerrilla movement captured on Tuesday, a government spokesman said yesterday.

Mr Romulo Kintanar had initially given a false name when he was captured with the former secretary general of the party and another Central Committee member in an army raid in suburban Manila.

The raid has removed at least a third of the Communist Party's top policy making executive committee. Mr Benito Tiamzon, the party's chairman, narrowly escaped capture in a separate raid, the military said.

President Corazon Aquino immediately welcomed the military's actions and said that the Philippine Government was now winning the 19-year war against the communist insurgents.

The raid seems to confirm the presence of one or more high-level informers who know the whereabouts of safe houses in Manila, and it will restrict the rebels' ability to communicate.

Punjab suffers surge of killings

BY K.K. SHARMA IN NEW DELHI

A SUDDEN escalation of violence in the insurgency-racked Indian state of Punjab has claimed another 34 lives in 36 hours and raised questions about whether the new anti-terrorism policy of Mr Rajiv Gandhi, the Prime Minister, will succeed.

Mr Gandhi released the five Sikh high priests of the community from jail about a month ago. He sought to allow the leaders of the militants to start a dialogue with other terrorist groups so that ways could be found to end the violence in Punjab, which has claimed more than 400 lives since January 1 1988, and about 1,000 each year in the past three years.

The release of the high priests, particularly Mr Jasbir Singh Rode of the Akal Takht, the "seat of the timeless" in the holy Golden Temple in Amritsar, has so far not led to any decrease in violence, even though it is known that he has been in touch with many of the leading activists in the state.

Mr Rode has also not agreed to pass any religious orders banning Sikhs from killing innocent people, both Sikh and Hindus, in the state. He has declared that it is the right of the Sikhs to carry and use weapons.

Indications are that the new policy, launched with the hope that violence would abate and that talks on the extremists' demands would begin soon, has not succeeded so far. This could mean that Mr Gandhi may be forced to adopt sterner measures, for which he has recently taken powers in parliament.

Parliament passed a bill a fortnight ago amending the constitution to enable the Government to declare an emergency in Punjab if it thought the situation demanded. It would give the authorities extraordinary powers of detention without trial and censorship.

The current wave of violence has certainly led to a sudden deterioration in the situation since terrorists are gunning not only for innocent Hindus but also Sikhs they believe to be police informers.

In recent operations, they have also used such sophisticated weapons as rockets and AK-47 assault rifles.

Left and right assail Fiji PM

BY OUR FOREIGN STAFF

RATU Sir Kamisese Mara, Prime Minister of Fiji, came under attack from two leading political groups at home yesterday as he started the long, slow process of towards restoring links with Britain and the Commonwealth.

Fiji's long-standing links with Britain were severed following two military coups last year and the country ceased to be a member of the Commonwealth.

The extremist Taukei Movement, which supported the coup, likened Ratu Mara to a modern-day Sherlock Holmes seeking "the missing link" with the British royalty. The party accused him of ignoring the coups' objective – political supremacy for indigenous Fijians over Indians who slightly outnumber them in a population of 714,000.

Ratu Mara's visit to London was also attacked from the other side of Fiji's political spectrum. The National Federation-Labour Party coalition of Dr Timoci Bavadra, who was deposed as prime minister by the coup, described the mission as ill-advised. It said the British Crown and the Commonwealth had great regard for democracy, equality and justice and unless these were restored in Fiji, the mission would fail.

However, Ratu Mara has had an unexpectedly warm and sympathetic reception in London. He was told that his country must have an acceptable constitution before it could return to the Commonwealth and before the Queen would be willing to resume her role as head of state.

Partition plan resurrected as Afghan peace option

BY OUR FOREIGN STAFF

THE COLLAPSE of the Geneva talks on Soviet troop withdrawal from Afghanistan has prompted the Soviet-backed Kabul Government to hint at the possibility of partition again – a possibility which would become more real if Moscow undertook a partial withdrawal in the absence of a Geneva agreement.

The talks between Afghanistan and Pakistan have been stalled since a week after they resumed on March 2. The focus quickly switched to Washington where Mr George Shultz, the US Secretary of State, and Mr Eduard Shevardnadze, his Soviet counterpart, tried but failed to resolve the key question of a symmetrical cut-off of Soviet military aid to Kabul and US military aid to the Mujahideen resistance.

Mr Diego Cordovez, the UN mediator who has been repeatedly wrong-footed by the eruption of new difficulties, made a last-ditch attempt to rescue the Geneva session by asking the US and Soviet Union to send senior officials to resolve the symmetry argument. The US agreed in principle but the Soviet Union has refused.

The talks have therefore collapsed, although they have not yet been called off formally. The Pakistani delegation had privately set a deadline of around the end of March and there is speculation that they might not reappear in Geneva after the Easter break.

The Afghan delegation went to Syria last weekend to discuss the situation with President Hafez Assad of Syria and Mr Farouk al-Sharaa, his Foreign Minister. Since their return they have taken little interest in the Geneva talks. Neither delegation turned up at the Palais des Nations yesterday morning.

However, Mr Robert Peck, US deputy assistant secretary of state, said yesterday that he was convinced that an agreement was still possible although other western diplomats said that without concessions from one or both superpowers the Geneva accord seemed doomed.

Moscow has indicated that if there is no agreement it may start to pull its 115,000 troops out of Afghanistan in mid-May anyway. One theory is that the Soviet side will vacate the western part of the country bordering Iran but retain control of the north and east including Kabul under a "Fortress Kabul" policy to protect the present regime.

The Kabul Government has this week again put forward a plan under which parts of two provinces along Afghanistan's border with the Soviet Union would be merged to form a single new province.

"It's yet another futile effort by the Russians to show to the world that the communist regime is in control of the situation inside Afghanistan," said Mr Ahmad Shah, the nominated president of the guerrillas' interim government.

Colina MacDougall looks at the long history of the violent conflict in Tibet

Dalai Lama's quiet campaign against Peking

WHEN THE DALAI Lama arrives in London next Monday for an 11-day stay, it will be as a spiritual, not temporal, leader. At the British government's request, this will be a "pastoral", not a political visit. Like the Pope, he has no divisions to strengthen his hand in resisting the demands of worldly powers.

Since he fled from Chinese troops to India nearly 30 years ago, the Dalai has indeed been involved mainly with the larger questions of religion and the welfare of his 100,000-strong refugee community. But over the last few years Tibetans everywhere have become increasingly alarmed over rising Chinese immigration into their homeland and what looks like the speedy obliteration of their unique culture.

Young Tibetans in particular are ready to resort to desperate measures despite the Dalai's rejection of violence, as the bloodshed in the anti-Chinese demonstrations in Lhasa last March and October confirmed.

"They have great respect for the Dalai Lama," says Mr Phuntsog Wangyal, formerly the spiritual leader's London representative and himself a former resistance fighter. "But they feel their situation is so bad they have nothing to lose. And Chinese immigration into Tibet is like a virus, spreading all the time. If they don't act now, it will be too late.

"Our resistance in 1959 was basically religious. Today it is much more political. The Chinese themselves are partly responsible – it was the People's Daily denouncement of His Holiness's peace plan outlined in Washington last year which told Tibetans about it."

Dalai Lama: visit as spiritual

There are other influences. All-India radio broadcasts world news in Tibetan. Even when officially closed (as now) the border with Nepal is porous. Tibetans know about the PLO and other resistance organisations, and, most significantly, about the war in Afghanistan.

Fear of worse violence and reprisals plus the Chinese immigration factor have persuaded the Tibetan government-in-exile to raise its profile. It is now trying to direct attention to conditions in Tibet and the size of the Chinese presence there.

The Dalai Lama's "peace plan" put before the US congress last year proposed converting Tibet into a demilitarised zone (a buffer between India and China), halting Chinese immigration, and respecting human rights. The hope is that wider publicity for the plight of Tibet will persuade the Chinese regime to look again at the problem.

When in the US, the Dalai did not propose independence, though the Chinese have responded furiously be denouncing him as a "splittist." They have also tried to deny him any international forum, lobbying energetically in Brussels and London to prevent him addressing the European Parliament in Strasbourg or current affairs specialists in the British capital.

On the key immigration and culture issues, eyewitness reports confirm that today ethnic Chinese have spread almost everywhere in Tibet, though accurate figures are hard to come by. "Tibet" in the government-in-exile's definition includes, as the old boundaries did, the present Autonomous Region, plus the province of Qinghai and parts of Sichuan and Yunan.

Chinese settlement in these other provinces began many years ago and was relatively peaceful. But today the process has been enormously speeded up to bring in workers for the new mineral, transport and tourist industries as part of China's modernisation programme. In this greater Tibet area live around 6m Tibetans, and some western estimates (denied by the Chinese) put the Chinese population as high as 7.5m. In the Autonomous Region there are around 2m Tibetans and an estimated 1.7m Chinese (a figure also disputed by China).

While perhaps a few dozen temples and monasteries have been restored since the destruction of the Cultural Revolution, thousands remain in ruins. Schooling is poor and religious training almost nil. Promising Tibetan children are educated in China, far away from their own cultural influences.

The Chinese line is that Tibet is and always has been part of China. The Communist government, while not exactly expansionist, has always tried to restore China's boundaries to their widest historical extent. In the 18th century the Qing dynasty maintained representatives at Lhasa, and the system lingered on through the empire's declining years in the 19th century.

Peking claims that Tibet first fell under Chinese sway during the reign of King Songtsen Gampo in the 7th century AD because he married a Chinese princess. But, as some historians point out, she was only one of several wives, and if the question is one of tributs, it looks as if the Chinese, not the Tibetans, were paying up.

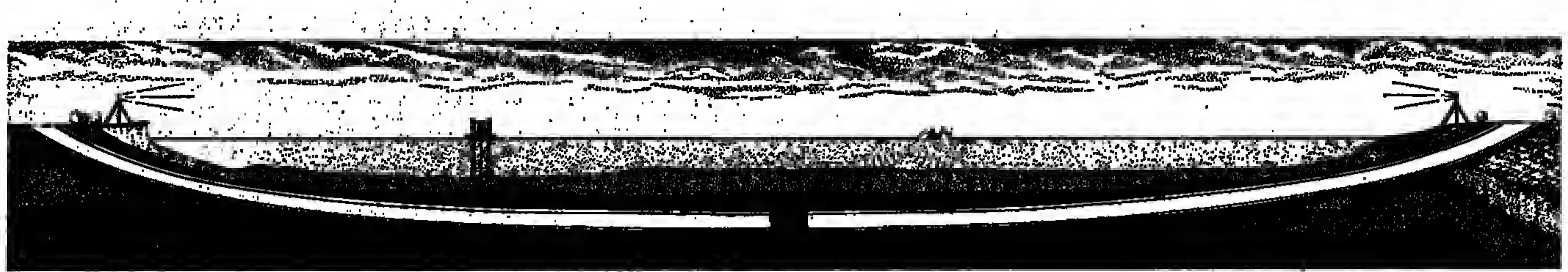
Britain muddied the issue in the early years of this century by recognising Chinese "suzersainty", a word which has given rise to much legalistic squabbling.

The upshot of the confusion over Tibet's status was that no outside power was prepared to remonstrate with Peking in 1950 when it sent a 40,000-strong army to Tibet. The Dalai's 8,000 soldiers were no match for Mao's battle-hardened troops, and Lhasa appealed in vain for help from India, the US and Britain.

Tibetan emissaries to Peking were forced to sign a treaty with the Chinese, but revolt rumbled on through the 1950s. This culminated in the rising in 1959 when the Dalai escaped. Things went from bad to worse in the 1966-76 Cultural Revolution.

Tibetans calculate that over 1m people suffered or died as a consequence of famine, imprisonment, revolt and execution in the years since 1950. Not until the 1980s did matters improve when the Chinese tried to make some economic amends, but it is the side effects of these which are now causing such alarm. It remains to be seen whether the Dalai's quiet campaign will produce enough international nudging to persuade Peking to handle Tibet in a more acceptable fashion. But it is a matter of doubt whether that would be enough to satisfy the already desperate Tibetans.

£5 billion is being spent on the Channel Tunnel. It's up to Wimpey to make sure ends meet.



Every stage is crucial. But some are more crucial than others.

The feasibility of constructing a tunnel under the Channel has been debated for centuries.

Until Wimpey became involved however, the plans remained mere pipe-dreams. Work began in 1959 when we carried out the first major geological studies of the sea-bed to find out whether tunnelling was possible.

In 1964 further bore holes built up the picture.

Interest then waned, but when it revived almost 20 years later much work had still to be done to prove the project's feasibility.

A consortium of leading contractors was formed with Wimpey as a founder member: our previous marine experience was obviously going to play a significant part in the study.

At this point, Wimpol, the Wimpey navigation specialists, joined the investigation. Survey vessels, positioned with pin-point accuracy, carried out seismic readings to determine the exact nature of the rock strata.

Then, Wimpey Laboratories assembled drilling rigs from the North Sea to collect samples for more detailed analysis. The studies confirmed our predictions: a continuous layer of chalk, the ideal material for tunnelling, stretched virtually from coast to coast.

Then over the next three years came the really hard work: proving the case for a twin-bore rail tunnel to an endless procession of public enquiries, study groups and Parliamentary Select Committees.

By 1986, it was concluded that this was indeed 'the only technically feasible and financially viable scheme'.

Having gained an unqualified 'yes' and 'oui' from both Governments, the century's greatest engineering challenge was finally becoming a reality.

As with so many of our major construction projects, initiative and dogged determination had proved just as crucial as technical expertise.

So in 1990, the English half of the Tunnel will meet up with the French half. And we're sure there'll be light at the end of it.

WIMPEY

Breaking new ground.

CONTRACTING, MINERALS, PROPERTY, CONSULTANCY, HOMES AND LEISURE

Reagan snubbed on trade bill veto threat

BY NANCY DUNNE IN WASHINGTON

HOUSE AND Senate conferees working on major trade legislation have ignored a veto threat by President Reagan and tentatively approved a proposal requiring companies to give 60 days' notice of major lay-offs or shutdowns.

But the proposal must still be approved by the full House-Senate conference, which is battling through what members hope will be the final week of work to produce a trade bill.

Important differences still remain in the House and Senate versions of the bill, and congressional leaders acknowledged earlier this week that they might not finish work before the Easter recess.

"We will need a major miracle to finish this week," said Mr Dan Rostenkowski, chairman of the House Ways and Means Committee. "I won't be held hostage by any deadline."

Mr Clayton Yeutter, the US Trade Representative, took a place at the negotiating table to represent the Administration's viewpoint, and announced the settlement of a major dispute with Japan over access to the Japanese construction market.

The Administration clearly hopes that its success at opening markets will permit Congress to ease demands for a tough new law.

The Trade Representative's office said the settlement would permit US companies to bid on 14 major public works projects worth about $17bn (£9.4bn) to construction and engineering companies.

Mr Yeutter said the Administration was pleased with congressional efforts thus far to prune measures from the bill which are objectionable to the President. "We have come a long way up the mountain, but we are not at the peak yet," he said.

Among other measures, the conference must still deal with a proposal, sponsored by Congressman John Bryant, which would require foreign companies to disclose their interest in US companies or real estate if their shares are 25 per cent or more.

Senator Tom Harkin, one of the measure's sponsors, said the US is suffering an "ignorance gap" unlike its European and Japanese trade partners, which have stiff disclosure and even pre-clearance requirements.

As it stands now, the bill has much to attract support from various interests. It would give the Administration the authority it wants to conduct negotiations in the Uruguay international trade talks.

Business would get perhaps a relaxation of export controls. Organised labour is behind the plant-closing measure and the appropriation of $1bn for worker readjustment assistance.

Pacific telephone victory for C & W

By Terry Dodsworth

CABLE and Wireless, the UK telecommunications group, has won a year-long battle to retain its position as the main partner to the Government of the Solomon Islands in the provision of telephone services.

The deal follows an abortive bid by the international division of British Telecom to take over C & W's role in the islands last year.

After coming to an initial understanding with the Solomon Island Government, BT failed to agree financial terms and pulled out of the contract last October. C & W then succeeded in a new round of bids, principally against the Overseas Telecommunications Commission of Australia, which has been trying to expand in the region.

Some of the details of the C & W agreement still have to be finalised, but the initial contract makes it clear that the UK company's stake in the local company will be reduced from 51 to around 40 per cent.

● ERICSSON, the Swedish telecommunications group, has won a breakthrough order to supply the Greek telecommunications network (PTT) with digital AXE exchanges.

The initial order is for nine transit and local AXE exchanges and is worth $28m (£15.5m).

Further orders are expected while the Greek national network is modernised.

Peter Marsh reports on doubts over an industry's response to a recovery in demand

Dangers in bulk chemicals capacity build-up

"GOD FORBID." This was how Mr Denys Henderson, chairman of Imperial Chemical Industries, reacted recently to the suggestion that the company might want to build another ethylene plant to add to its existing giant 750,000 tonnes-a-year facility in Wilton, Britain.

Mr Henderson's response was triggered by memories of the early 1970s, when the world's chemicals companies embarked on sweeping expansion programmes, only to see growth plans shattered by the international recession around 1980.

After a rash of plant shutdowns in the early 1980s, demand for chemicals has started once again to rise, so much so that many of the leading chemicals companies have begun planning expensive new plants for basic materials like ethylene.

To the more cautious leaders of the industry such as Mr Henderson, however, many of these schemes are based on overoptimistic demand projections which may well end in a few years in disappointment and more plant closures.

Leading the criticism of the recent run of announcements is Mr Stuart Wamsley, a respected chemicals industry analyst at the London office of Morgan Stanley, the US bank.

Mr Wamsley has produced a stream of statistics to support his view that many of the west's chemical companies are not only ignoring the lessons of the past 20 years but failing to notice the build-up in capacity in bulk chemicals in the developing world.

The Morgan Stanley analyst argues that this phenomenon, bearing in mind that the Third World is at present a major importer of chemicals from the developed countries, is bound to restrict demand for the products due to flow from the industrialised nation's new plants over the next few years.

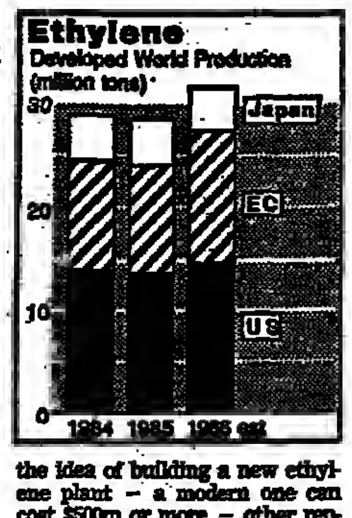
The capacity debate centres around commodity petrochemicals, the most important of which is ethylene, a material produced largely from oil and which acts as feedstock for many other chemicals.

Other commodity materials – total sales of which add up to some $150bn a year, or roughly a fifth of the worldwide chemical business – include plastics such as polyethylene, polystyrene, polyvinyl chloride and polypropylene.

Polypropylene features particularly highly in many plastic makers' expansion plans as production has been increasing much faster than for other commodity materials, a reflection of its growing use in products like car components, packaging and disposable nappies.

World ethylene production, which totals about 40m tonnes a year, fell considerably in the five years after 1980 as a result of the enforced plant shutdowns.

In the past two years, however, output has been rising slowly, largely as a result of expanded production at existing ethylene plants, also called crackers. Petrochemicals companies such as BP, Exxon and ICI itself have all increased production through such routes, known in the industry as "debottlenecking." While ICI's Mr Henderson is aghast at



the idea of building a new ethylene plant – a modern one can cost $500m or more – other representatives of the West's petrochemicals sector have been more bullish.

In the vanguard of such thinking is Finaneste, a joint venture formed by Neste, the state-owned Finnish oil company, and Petrofina of Belgium. The company is to build a new 450,000 tonnes-a-year ethylene cracker in Belgium to add to two others it already operates in that country.

In the US, Dow and Phillips Petroleum are considering plans for new crackers, while in Europe Statoil, the Norwegian oil company, is thought to be thinking along similar lines.

These additions to the West's ethylene production are being contemplated at the same time as countries such as China, Taiwan and South Korea, not forgetting the oil-rich Middle East countries, are racing ahead with commissioning their own plants to turn out ethylene and other basic chemicals.

> Statistics have been produced to support the view that many Western chemical companies are ignoring the lessons of the past 20 years and failing to notice the build-up in bulk-chemical capacity in the developing world

According to Mr Wamsley's figures, the ethylene production capacity of the developing world is likely to increase by 50 per cent over the four years to 1991, to about 15m tonnes a year, with further expansions likely in the 1990s.

He paints a similar picture for other commodity chemicals – in particular polypropylene, a versatile plastic which has been one of the star materials of the 1980s, with growth in consumption in many countries running at up to 10 per cent a year.

Such a good sales record has encouraged many of the leading polypropylene producers to believe the growth in demand will extend until well into the 1990s, leading them to announce significant capacity increases over the next few years.

According to Mr Wamsley, in Western Europe alone annual production capacity in this material will leap from the current 2.9m tonnes to 3.4m tonnes in 1988 and to 4.1m tonnes next year. Companies which have announced new plants or expansion to existing facilities include Himont (a US-based company in which Montedison of Italy holds the majority stake) and Shell, the world's largest polypropylene producers.

There is likely, however, to be a similarly high expansion in capacity from the Third World over the same period. All this will result in a world glut in polypropylene in the 1990s, says the Morgan Stanley analyst, leading to price cutting, lower profits and general distress.

"The building of major new (petrochemicals) plants (by Western companies) is – incomprehensible and a thoroughly dangerous and foolhardy course of action, except in some specific instances," said Mr Wamsley in a recent trenchant analysis.

As for people within the industry, some acknowledge the problems although many believe the situation is not as bad as Mr Wamsley fears.

Most chemicals producers would probably go along with the sentiments of Mr Jim Gordon, chemicals co-ordinator at Shell, who points out that worries about future over-capacity are hardly new for the chemicals industry, which is affected by economic cycles more than most businesses.

"You try to analyse future demand as best you can," says Mr Gordon. "But as for whether you are right or wrong, you have to wait until the time comes and hope you have the competitive advantage to be among the survivors."

Indonesia abolishes state contracts vetting committee

BY JOHN MURRAY BROWN IN JAKARTA

INDONESIA HAS taken an important step to improve its business climate with the announcement yesterday of the abolition of the much-criticised Government Purchasing Committee, whose job was to approve all state contracts above a value of Rupiah 500m (£164,000).

The move which affects projects financed by the state budget and foreign aid, as well as key procurement by foreign oil companies, should give a welcome boost as the country adjusts to lower oil revenues, historically the main source of income.

The abolition is also seen as a significant victory for those government technocrats who, along with businessmen, are said to have criticised the committee on the grounds that it has too often been used as a lever of political and commercial patronage.

Under the new law, which takes effect from yesterday, all contracts will be assessed by the technical ministry involved and overseen by Mr Radius Prawiro, the Economics Minister. This is expected to cut costly delays and speed up project implementation.

The specific task of the committee, the so-called Team 10, was to cut budget waste, while promoting Indonesian companies by awarding contracts to locals.

The old law, which runs to more than 150 pages, provided a blueprint for government procurement, which in Indonesia is the main business opportunity for foreign suppliers.

It details tender procedure and, as originally drafted, contained a countertrade provision, which called for foreign suppliers to take settlement in Indonesian goods.

However, projects funded by concessional loans and loans from the World Bank and both the Asian and Islamic Development Banks were exempted from this linkage.

Italians and Thyssen sign high-speed train pact

BREDA Costruzioni Ferroviarie, the Italian state-owned railway equipment manufacturer, has signed a co-operation agreement aiming at joint development of high-speed train technology with two companies in West Germany's Thyssen group, John Wyles reports from Rome.

The agreement with Thyssen Industrie Henschel and Waggon Union covers the marketing, research, design and construction of rolling stock.

One of the factors determining the alliance is the similarity of design between the high-speed train being developed in West Germany and the Italian version.

Breda's initiative could be the forerunner of Italian membership of the European high-speed train consortium.

China power order goes to UK

BY ANDREW TAYLOR

JOHN BROWN Engineering, part of Trafalgar House, the British construction, property, shipping and hotels group, has won a contract to design and supply some of the equipment for a 100MW gas turbine power station in Chongqing, China.

The contract is believed to be worth about £25m to the British group. The project is expected to receive British financial support under the government's aid and trade provisions.

It is one of a series of power station contracts, including some very large ones, to have been let recently to China.

John Brown, under an agreement signed yesterday between Wang Defang, president of Huaneng International Power Development Corporation, and Mr Eric Parker, Trafalgar House's chief executive, will have overall design responsibility for the power station as well as supplying two 38.2MW gas turbines.

Extra capacity will be achieved by converting waste heat produced by the two gas turbines. Mitsubishi of Japan will supply the steam turbine.

Mr Parker said John Brown had won the order against strong French, German and Japanese competition.

Earlier this year, GEC Turbine Generators of the UK won a contract to design and supply a coal-fired power station at Yue Yang, worth £185m in equipment supply.

Alsthom, the heavy engineering subsidiary of France's Compagnie Générale d'Electricité (CGE) last month won a FFr1.6bn order to supply equipment to a coal-fired power station in Sichuan.

West German nuclear engineering companies have also signed an accord with the Peking government on working towards building a joint 100MW high-temperature reactor in China worth DM1bn.

The agreement was announced earlier this month by the Brown Boveri engineering group, part of a consortium which includes Deutsche Babcock, Mannesmann, Strabag and the Essen-based Innotech energy technology concern.

India eases curbs on imports

By K.K. Sharma in New Delhi

THE Indian government yesterday announced further liberalisation of import and export controls as part of its foreign trade policy for the next three years.

The main object of the long-term policy is the modernisation of Indian industry by permitting relatively freer imports of capital goods and machinery so that its international competitive position improves and the country's exports can increase.

Announcing the moves yesterday, Mr N.D. Tiwari, Minister for Finance and Commerce, said liberalisation of foreign trade controls had shown results in the growth of exports.

The new policy removes controls on the import of 745 more items, although most of the capital goods so freed are those essential for the economy.

The main stimulus to modernisation in industry comes with the addition of 99 items of industrial machinery to the list of capital goods that can be imported without restriction.

These are mainly machinery used to the electronics sector, the silk industry and tea industry.

Established exporters will now be able to import capital goods, provided they export at least 25 per cent of their production, subject to a minimum of Rupees 10m. Higher exports will qualify for special consideration in the import of capital goods.

The new policy relaxes controls on the import of computers, while controls on import of a number of raw materials, components and consumables have been withdrawn.

Hyster refuses to ride the CIM bandwagon

Nick Garnett explains why one of the world's top five lift truck makers sees little virtue in a head-long rush towards computer integrated manufacturing

ARE ALL reasonably complex manufacturing plants missing the boat if they do not gradually link their existing "islands of automation" into an integrated shopfloor production system? Or are there good reasons why some types of manufacturer should back off from such plans?

Many advice agencies in manufacturing, computer suppliers and, not surprisingly, systems integrators believe that companies should at least be moving towards the goal of a cohesive production system in which a single computing brain runs the show.

The paucity of real computer integrated manufacturing (CIM) systems around the world has hardly dented such proponents' long-term enthusiasm. In their view "islands of automation" too frequently exist within a sea of shopfloor chaos.

Nevertheless, Hyster, the US lift truck maker and one of the world's five biggest suppliers of these machines, is one company which remains sceptical about the benefits, and wary of the problems, in moving towards fully-integrated manufacturing systems.

Hyster, determined to stay in the very competitive lift truck business, has certainly introduced a substantial amount of automation into its worldwide network of eight production plants. But it remains cautious about production innovations.

The family-owned company, based in Portland, Oregon, has sometimes been the butt of complaints and the subject of controversy. It lost friends last year when it closed its fairly new Dublin, Ireland, plant which was designed to make advanced material-carrying systems. It has been accused of playing off one government against another for cash grants, particularly over its facilities at Irvine, Scotland, and at Nijmegen in the Netherlands.

However, unlike many other US materials-handling companies, it has not abandoned manufacturing in the US and has steadfastly refused to put its own name on Japanese-made lift trucks, or become a major purchaser of Japanese components.

Hyster, part of the Esco Corporation which is 80 per cent owned by the Swigert family, had sales of $580m in 1986. It employs 5,000 and made 20,000 lift trucks last year, claiming, among other things, to be the biggest producer of trucks in Western Europe. Hyster has plants in Irvine, Nijmegen and Craigavon, Northern Ireland.

The Irvine plant which employs 500 producing 5,500 lift trucks a year demonstrates many of the factory automation features which Hyster has been introducing elsewhere.

Hyster moved into an existing factory in Irvine in 1956. By the early 1980s the plant was grossly inadequate and fell into Hyster's worldwide plant reorganisation programme. That programme was made particularly urgent by a 50 per cent slump in lift truck demand around 1981. This helped push Esco's lift truck operations into the red.

"If we had not done what we have done at Irvine, we would still not be making a dime," says Herman Stoopman, vice president for Hyster manufacturing in Europe.

The cost of converting the existing plant at Irvine, carried out between 1984 and 1987, was £25m. About 80 per cent of this went on new hardware — only five computer numerically controlled (CNC) machines were retained from the plant's original machine pool. Digging up a fifth of the factory's 250,000 sq ft floorspace and other building work absorbed the rest of the investment.

The plant — which produces six models of electric and internal combustion-engined trucks up to 7 tonnes — is not by any means a "wonderland" of automation. It has only one flexible manufacturing line. Its storage areas use high-rise picking machines but they are not automatically controlled. The factory is non-unionised but still uses traditional-style foremen. There has also been no attempt to integrate separate production areas which have automation equipment.

There is, however, a substantial amount of advanced production machinery, including five flexible machining cells and seven robots (five for welding and two for fabrication). The welding robots are part of large systems which, unmanned, turns and manoeuvres truck frames during the welding process. There are also two automatic guided vehicle systems operating on 2,500 metres of wire.

One system with 13 AGVs covers most of the manufacturing areas, the other, with 11 vehicles acts as a general purpose delivery operation. There are also about 12 screens with keyboards on the shopfloor for keying in production information.

Almost all the equipment is European or American, in line with a resistance within Hyster to buying Japanese unless Japanese equipment is demonstrably better. Cloos of West Germany has supplied the welding robots, Pittler and Cincinnati most of the cutting machines.

Bill Brown, the plant manager is very worried about the concept of CIM for a plant like Irvine. "If you had a central control facility you would cease to have flexibility," he says. "The connection between the customer and the factory would be harmed. Stocks would also be much bigger than they are now."

One of the reasons for reaching this conclusion is the wide variety of options offered to the customer and which Hyster says it must continue to offer. Although there are only six basic Irvine-produced models, there is a huge range of options for each truck, based on differences in the height of carrying masts, combinations of axle widths and other variations. There are even three options of seat "softness".

"To satisfy the customer we could be producing a hundred trucks the same or a hundred trucks different and with the system we have here this would have no implication for our inventory levels," says one of the company's production managers.

Even with the levels of new equipment at Irvine, Hyster can reel off many of the problems and benefits of factory automation.

For one thing, the implementation of new equipment took longer and was more time-consuming than the company expected. "For a time, managers were nailed in here, working every weekend," says Stoopman. "That was a real stress period." The company continued to make lift trucks during the investment programme but found it very difficult to cope, particularly as new models were being introduced and demand was rising on the back of an improving market. By 1986, the programme was running at least three months behind schedule and press visits to the plant were cancelled.

Though the programme was linked to extensive retraining some changes in habit have been difficult to foster. "Keeping the aisles clean to allow the AGVs to run properly has been a continuous battle," says Brown. A "ticketing" system was introduced in which production workers record the fact that they have begun using a particular pallet of components for the first time. These dockets are collected by supervisors as a way of planning supply requirements and inventory control. But it has taken a long time for all production people to do this at the required times. "We have won that battle now," says Brown.

One other, somewhat surprising, problem was getting some production people to trust what the shopfloor terminals were telling them. In particular, information on the screen which made it clear that a component had been machined correctly did not stop the practice of re-inspecting components by less accurate hand-held calibrated tools.

The company, though, points to the substantial benefits of automation. This programme has been an integral part of a general efficiency and cost saving drive by Hyster. This effort has encompassed better general management of facilities and the way Hyster lift trucks are designed and built.

For example, the design concept of the XL range of trucks, which Hyster began introducing in the late 1970s, has been incorporated in later models within the range, an important factor in reducing production costs.

When the XL range was being designed the trucks initially incorporated steel plate with seventeen different thicknesses. This was brought down to three thicknesses in order to save machining times. The initial concept trucks used 37 different sizes of hole through which parts and components were attached to each other. This figure has been lowered to five.

However, factory automation has also played a significant part in improving efficiency. Stoopman says that over the past four years inventory turnover at Irvine has accelerated from 2.5 times a year to between eight and ten times, including periods when bought-in components are in transit. Across all Hyster's plants, improved inventory control is saving about $40m (£21.5m) a year.

In addition, automated machining cells at Irvine have cut machine setting-up times from 30 per cent to between five and six per cent of total factory time. The cost of transporting raw materials within the site has fallen by about 30 per cent.

While Hyster remains suspicious of the CIM concept it does not believe it has reached the end of the road on automation. "It always pays to keep your eye on the manufacturing horizon," says Stoopman.

WORTH WATCHING

Edited by Geoffrey Charlish

BA calls down from the clouds

AIRLINER TELEPHONES will soon be tried out by passengers on British Airways Boeing 747s crossing the Atlantic.

The system, called Skyphone, results from collaboration between the airline, British Telecom International and Racal, the UK communications equipment company. A full service is planned for May 1989 but call charges have yet to be decided.

Passengers will be able to make calls to most phones in Europe, eastern North America, South America, Scandinavia, Africa and the Middle East.

The Inmarsat Atlantic Ocean region satellite will be used, beaming down to the BTI ground station at Goonhilly in Cornwall.

Eventually, through other earth station operators, most parts of the world will be accessible.

At first it will not be possible to make calls from the ground, since the problem of locating an individual passenger has yet to be resolved. (Paging messages for passengers to ring a number on the ground, or an airborne telex printer are possible solutions.)

Data transmission from passengers' personal computers, however, will be possible when a special interface unit, now under development, becomes available.

Wall-mounted cordless, seat-back, and arm rest phones are to be tried. They will be made by Racal, which has also designed the special aerial to link the aircraft with satellite transmissions.

With the wall-mounted phones, passengers will be able to insert any type of credit card. These will be checked by BTI equipment on the ground. Once the call has been made, details will be recorded and the appropriate card company billed.

Alcatel sinks IBM and DEC differences

IN THE belief that many medium and large companies have both IBM and DEC mainframe computer systems working separately, and that much could be achieved if they could communicate with each other, Alcatel Business Systems has devised a linking computer, the model 8930.

Alcatel believes that as many as 50 per cent of IBM mainframe sites have DEC minicomputers and that there are significant advantages in forming the machines into single information systems.

With the 8930, DEC VAX terminals act as if they were connected to the IBM system, and vice versa.

Low-cost answer to text input problems

A GROWING problem for desktop computer users, particularly in the publishing world, is to get existing documents into the computer without re-keying them.

Page reading devices invariably involve costly mechanical scanning systems. Alternatively, hand-held units, which scan line by line, lack the ability to tackle a wide enough range of founts, according to Fred Snow, president of TransImage Corporation in Sunnyvale, California.

His company has therefore developed TransImage 1000, which at £2,500 is designed to work into an IBM personal computer and will recognise, at 99.6 per cent accuracy, virtually any standard English upper and lower case letters, numbers and symbols of good quality.

The unit can be used at up to 48 characters per second, and the machine can learn unique shapes and symbols and substitute a normal character, or string of characters, on the PC screen.

The reader unit can match itself to the software in use in the PC so that numerical data, for example, can be made to appear in the right place in spreadsheets. It also has a small set of function buttons that allow any set of key depressions on the PC keyboard to be emulated, thus preventing constant user movement between the reader and PC keyboards.

TransImage 1000 is available in the UK from Technitron Data of Slough. Agents in continental Europe will be appointed soon.

Chip pulls switch 75bn times a second

SUB-MICRON-sized silicon circuits that can switch on and off 75bn times a second have been developed by the IBM laboratories at Yorktown Heights in the US.

The circuits have to be immersed in liquid nitrogen and are still very much in the experimental stage, but their performance more than doubles previously reported highest speeds.

The devices use transistor elements with dimensions measured in tenths of a micron (a micron is a millionth of a metre).

Chips using such circuits could hold several million logic elements that switch 10 times faster than semiconductors in use today.

To form the microscopic patterns needed for such circuits, IBM uses electron beams which are capable of making lines only 0.05 of a micron wide and have comparable accuracy of placement.

Such tenth-micron silicon devices might be the future basis for machines the size of today's personal computers but with computing power comparable with supercomputers.

Canadians optimise post code usage

IN CANADA, the public is being encouraged to ring up the Canada Post Corporation free of charge to verify postcodes in a matter of seconds. The Corporation hopes that as a result postal codes will be used more often and more accurately.

So that telephone operators have quick access to 10m Canadian addresses and their postal codes, all this information has been put on optical disc, a job undertaken by SilverPlatter of the UK.

The British company used a special indexing technique to ensure that the average response time of the system to a query is less than one second.

Users can communicate with the system in English or French.

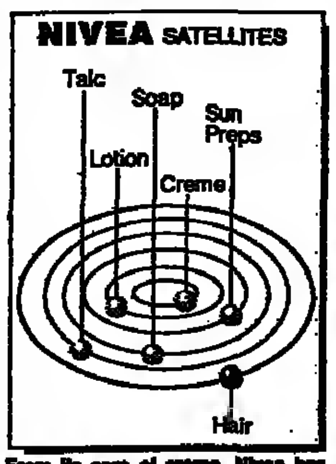
CONTACTS: BT International: London, 936 2000. Alcatel Business Systems: London, 499 4141. TransImage Corporation: US, (408) 734 4111. SilverPlatter Information: London, 995 8242. IBM: UK office, 0705 694941.

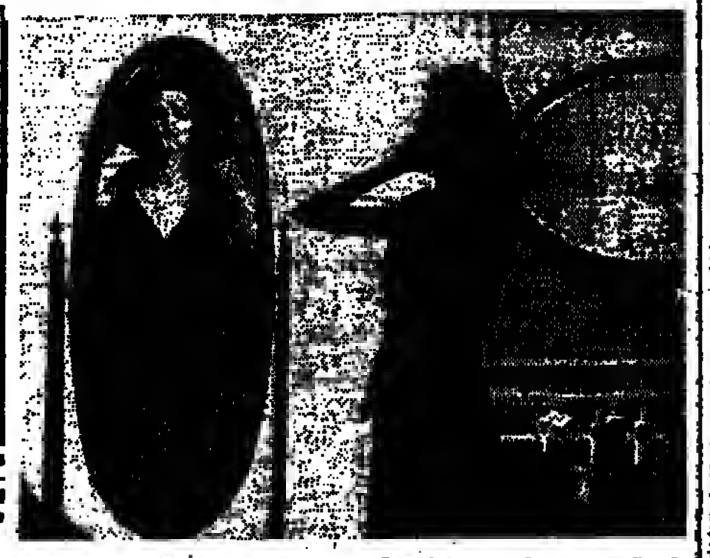
MANAGEMENT: Marketing and Advertising

Product development

The crop of the creme

Philip Rawstorne on the extension of the world-selling Nivea brand





From its core of creme, Nivea has evolved products for further skincare, currently being test-marketed with a commercial (right) in the Central TV region

NIVEA – WHICH means "snow white" in Greek – is the biggest-selling toiletry brand in the world with sales of more than £500m a year at ex-factory prices. But it did not get where it is today without constant grooming. A brand needs refreshment and rejuvenation; and with care it may then be enlarged.

Smith and Nephew, the British multinational, and Beiersdorf, a Hamburg-based company, which together own the Nivea brand, are currently engaged in enlarging it again. . .and profitably.

It was Beiersdorf that founded the brand, launching the first product in 1906 in Germany. Beiersdorf's assets in the UK were seized at the outbreak of the Second World War and later acquired by Smith and Nephew, which now owns the brand in the UK, the Irish Republic, Australia, New Zealand, Canada and South Africa.

Nivea soap was launched in the UK in 1911; Nivea Creme came on to the market, in its distinctive blue and white packaging, in the 1920s. The brand is sold now in virtually every country in the world; and three years ago manufacture started in China.

A close working relationship between the two companies, which developed from the initial common ownership and through later joint ventures, ensures that the brand is marketed as one throughout the world.

The brand character or personality is entirely based on Nivea Creme, the most widely known and used product. Advertising over the years has established among consumers a strong association between the cream and "care".

Graham Siddle, marketing and sales director of Smith and Nephew Consumer Products, says: "Our policy in developing Nivea, beyond cream, has been to create a satellite strategy, where Nivea Creme is the core or nucleus and the ancillary products are intrinsically linked to that core at ever widening distances."

The unchanging priority is to ensure the core is sound and strong. "Failure to maintain the brand's modernity," says Siddle, "will result in the eventual demise of the brand image and the ability to extend into new market sectors."

Nivea came near such a plight in the mid-1970s. Lack of investment by Smith and Nephew, coupled with changing consumer attitudes, left it with an old-fashioned image, which in turn led to several years of static sales.

"The brand," says Siddle, "was in dire need of rejuvenation." It was relaunched with TV advertisements illustrating – to the beat of rock music – that "Nivea knows how to treat a lady." New, younger buyers were attracted, older customers retained, and on the back of the campaign a new lotion was introduced. Sales volumes of skincare products in the UK company's markets doubled over the following five years.

But, having consolidated the core, the question was how to move out from it. Potential satellite products, says Siddle, were reviewed against a series of agreed principles.

The product must correspond with the ideal brand profile. For Nivea, the important associated qualities are care and protection, mild, natural agents, subtle perfume. It must add to the core position, justify separate marketing investment, and be profitable.

"Our measurement as a division of Smith and Nephew," says Siddle, "is entirely based on profit growth and more critically on earnings per share growth. Any activity, be it new or old product development, is required to meet very tough financial parameters."

Smith and Nephew's next move, into the sun care market, was a natural progression. The link with Nivea skincare, plus constant product and packaging innovation, has given the brand the number two spot in the sun lotions market. Sales of sun preparations now represent 26 per cent of the brand's sales and a higher share of profits. "Growth in foreign holidays, coupled with consumer and product segmentation, makes this a key area for the future," says Siddle.

With Nivea soap – recently relaunched, and a substantial contributor to the brand's bank balance in terms of both consumer attitudes and cash – this was as far as the range extended 10 years ago.

A move into haircare products was positively shunned by the company, Siddle recalls. But as milder, frequent-wash shampoos evolved, thoughts began to return to the possibility. It seemed to fit into the Nivea care strategy.

The shampoo was launched in West Germany in 1984, where it has now achieved market leadership, and has been extended throughout Europe.

In the UK, Smith and Nephew began a cautious and sceptical appraisal of the possibilities in 1985. In a lengthy programme of market research, both the concept and the product stood out well, says Siddle. "Of importance was that it did not detract from the central Nivea values."

Simulated test markets, in which random consumers were introduced to the product through a range of advertisements, and in mock-up shops, confirmed the first promising impressions.

The brand was launched in the UK 15 months ago. Television advertisements by Bartle Bogle Hegarty, which took over the account from Saatchi & Saatchi two years ago, currently emphasise the caring approach in a modern "bright lights, big city" lifestyle.

"Results to date have been satisfactory," Siddle reports. Consumer response has confirmed the elasticity of the brand.

But even as this satellite goes into orbit, Siddle has turned forward again, using some of Nivea's £2m advertising spend last year to rejuvenate the core. A new range of skincare products has been launched on test market in Central Television's area. Television commercials sell these products as "what you put on when you take everything off". More up-market and younger in appeal, the range "could well become the core of the brand in 10 years' time," says Siddle.

By then, the UK Nivea brand may be launched into other more distant orbits. Beiersdorf is already venturing towards new horizons with a range of Nivea men's products.

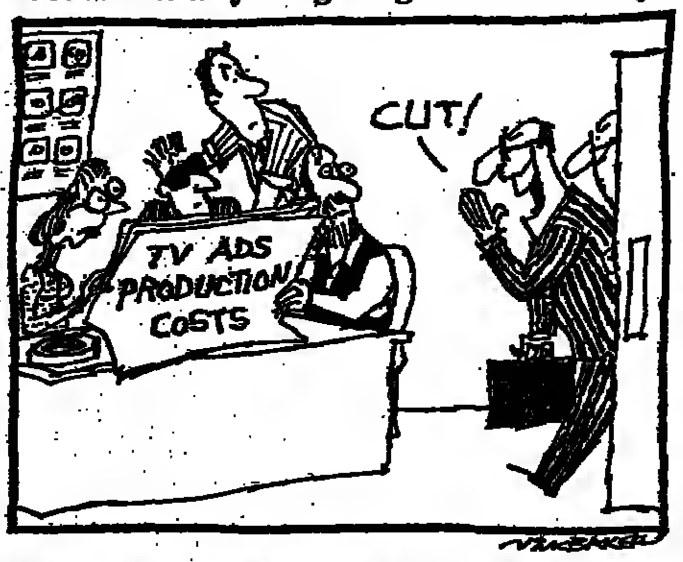
Smith and Nephew's view remains cautious. "Extending Nivea profitably," says Siddle, "has been due to having a strong core which is constantly rejuvenated; having sound principles against which ideas are evaluated; accepting that times change and that what may not work today, may work in the future."

But with prudence, pragmatic management and a little market research, Siddle believes that Nivea has a long way to go yet.

TV commercials production

Staines reservoir – or Malta?

Philip Rawstorne explains that advertisers doubt that they are getting value for money



IT COST £300,000 to make the latest 30-second commercial for Cadbury's Milk Tray – a figure to match the advertisement's epic feats in bringing chocolates to the British consumer.

Such expenditure, admits Stephen Ward, Cadbury's marketing director, is "a bit of a luxury" but it is after all promoting the company's biggest-selling brand. What he finds disturbing, though, is that the average cost of making a Cadbury brand commercial last year was £130,000 for 30 seconds. That compares with £2,040 per 30 seconds for producing a programme such as Rumpole.

Barclays de Zoete Wedd, in a recent review, estimated production costs in 1986 at £284m, or 14 per cent of total expenditure on TV advertising. In 1970, the ratio stood at 10 per cent. Since 1980 year-on-year increases in the costs of producing commercials have averaged 15 per cent in real terms.

One year after an industry working party under former Whitehall mandarin, Sir Leo Pliatzky, drew up procedures designed to improve business practices and secure better value for money in the production of TV commercials, major television advertisers are still deeply concerned about production costs.

Pliatzky claims that in the nine months after his report appeared in February 1987, production company contract prices actually fell by 1.2 per cent on average, and total costs to the client rose by no more than 2.2 per cent. "There is no evidence at all of continuing cost inflation," he says."

Ward agrees that there is more discipline; but still doubts whether advertisers are getting value for money. "Little has been done to bring about the sort of changes that have been common in industry in recent years," he says. Overmanning and restrictive practices are still common in TV production.

Philip Sheldon, director of advertising for Bass, which advertises 18 brands of beer on TV throughout the year, showed a conference in London last week five of the company's commercials, including the much-praised Carling Black Label water-skier. The four-minute show represented production costs of £1m – an average of £125,000 for 30 seconds, and remarkably similar to Cadbury's production costs.

Sheldon put the £1m in perspective. "For that, we could do two or three major pub refurbishments, buy a 25-year pub lease in central London, or run a national poster campaign."

Bass's total television advertising costs, says Sheldon, now form 60 per cent of brand expenditure; production costs are 10 per cent. "TV advertising is a vital part of our long-term strategy," he says. But costs have been increasing at three times Bass's ability to increase price margins or increase market share.

The Institute of Practitioners in Advertising is to begin a series of business training courses later this year for both independent and agency producers of television commercials. There have been undoubted shortcomings in that area – only since Pliatzky has it become a general rule to provide clients with a "ballpark" estimate of production costs with the script for the commercial.

Advertisers cannot understand the apparent reluctance of agencies to put commercial production jobs out to tender. One that did was Cockburn's for a port commercial, featuring a "Russian" submarine. By seeking bids it achieved savings of at least £25,000, the difference between shooting the advertisement in Malta and on Staines reservoir.

But many in the agencies and production companies argue that the client companies are, themselves, often responsible for unnecessary costs. Complaints of lack of planning and consequent rushed production schedules are commonplace; so are criticisms of time-consuming decision-making involving numerous executives, often followed by costly changes of mind.

There is concern, too, that the pressure to cut costs may lower creative standards. Richard Barker, executive creative director of D'Arcy Masius Benton & Bowles, told the conference that the industry should "concentrate on value more than cost." Premium satisfaction should command e premium price; the quality of the advertising reflects on the quality of the product it is selling.

The Pru woos the prudent investor

Philip Rawstorne on a £1m TV campaign

GOOD FRIDAY or April Fools' Day? Despite another nervous week in the stock market, Prudential Holborn, the up-market financial services arm of the Pru, begins a £1m advertising campaign in the London area tomorrow, aimed at attracting investors to its unit trusts, personal equity plans and pension contracts.

The campaign has been held back for a couple of months. The commercial was being filmed in Spain when the London stock market crashed last October. And the Pru thought it prudent to research reactions to that event before starting transmission.

"The research indicated that consumers are a little more cautious, but are also better informed about investment decisions than they were at the time of the 1974 crash," says Prudential Holborn chief executive, Alan Wren. "Confidence is returning and sales can soon be expected to reflect this."

Among Wren's target audience – the 40-plus age group with £25,000 to invest – attitudes were remarkably sanguine. "Our research showed that, in general, investors are watching and waiting for the right moment to get back into the market," says Nigel Fordham, account director at Prudential Holborn's advertising agency KMP Humphreys Bull & Barker (KHBB).

"They are more cautious about putting a lot of money down, but they have not been switched off equity investment. There is some resentment about the behaviour of the City in general, but no element of blame is being attached to individual investment companies. Investors are aware of the risks."

Fordham says that the basic message of the advertising campaign – "The surer way to the City is via Holborn" – has gained strength from the current mood of caution. By associating the Pru's investment offspring with the parent's established reputation for reliability and solidity, it should appeal to the more tentative investor as well as the more sophisticated operator.

The 60-second commercial, shot for KHBB by Simon Delaney, who made the Mates condom commercials, will appear initially on LWT and, backed by a national press campaign, will be gradually rolled out over the rest of the country.

It features three vignettes, set in Japan, Australia and the UK, in which consumers looking for the best way to invest are directed through Holborn. It treats its subject lightly – *but* not too lightly. Fordham says: "You must not treat money as a joke."

Treasury queries trade ministry's advertising costs

BY PETER RIDDELL, POLITICAL EDITOR

THE UK TREASURY has formally questioned the size and effectiveness of the sharp rise in the Department of Trade and Industry's advertising budget.

Mr John Major, Chief Secretary to the Treasury, has written to Lord Young, Trade and Industry Secretary, and the letter has been circulated to other departments, producing comment from several ministers.

The DTI has been unable to say what its advertising budget will be in the next financial year and Mr Major's action suggests no agreement has yet been reached.

The Treasury is concerned mainly with whether the DTI campaign offers value for money. Other ministers say the Treasury aims to limit the growth of the DTI's advertising and promotion budget. This is expected to be £13m ($24.3m) in the 1987-88 financial year just ending, mainly incurred in the last few months. The expenditure is as much as in the previous five years combined.

The highly unusual Treasury intervention in the marketing policies of a department comes as parliamentary concern grows over the DTI's high-profile media advertising campaign.

The Commons Public Accounts Committaa is considering whether to ask the National Audit Office to hold an investigation and Mr Tony Blair, Labour's trade spokesman, has argued that the advertisements breach Independent Broadcasting Authority guidelines on impartiality and party propaganda.

The main DTI advertising campaigns have been on the enterprise initiative, the action for cities programme and the drive to increase business awareness of the creation of the European internal market in 1992.

Lord Young justifies such expenditure by the need to reach out beyond Parliament and directly to business. The television and newspaper advertisements for the enterprise initiative have apparently generated 50,000 inquiries since January into various aspects such as design.

But a number of MPs and ministers are concerned both about the scale of the advertising and whether its content goes beyond previous Whitehall conventions about being informative rather than propagandist.

Kevin Done and John Griffiths in London examine why the Leyland Bus consortium agreed to sell out

Volvo's acquisition strengthens its transport omnibus

THE RESOLUTE refusal by senior Volvo executives and Mr Ian McKinnon, until yesterday chief executive and part owner of Leyland Bus, to reveal the precise purchase price to be paid by the Swedish vehicle producer for the UK company seemed to say it all.

Less than 24 hours after British Aerospace had agreed to buy Rover Group for a relative song at £150m, the Swedish group has also picked itself up a formerly UK state-owned bargain.

Mr Larserik Nilsson, president of Volvo Bus Corporation, would describe only as a "multi-million pound" deal, Volvo's outright purchase of Leyland Bus from the management consortium which bought the company from Rover Group in January last year for just £4m. Mr McKinnon himself refused comment.

Undisclosed fare: Mr McKinnon and Mr Nilsson stay silent

In an aside, one Volvo executive said the cash agreement, signed late on Tuesday night, would make "very wealthy men" of Mr McKinnon, 41, and five colleagues who between them had held 78 per cent of the share capital of Leyland Bus.

Considering that prior to the management buy-out the UK Government had contribnted £55m to wipe out Leyland Bus's accumulated debts and pay for further rationalisation (itself part of the total £3.8bn cost to the Government of its planned Rover Group debt and equity write-offs) Mr McKinnon and his colleagues might themselves appear to be in receipt of a bargain.

In reality, however, they were taking on a company which had lost £80m in the three years prior to their takeover; whose total domestic bus market collapsed from 3,000 units a year to 300 as result of deregulation; and whose hopes of a life-saving 4,000 buses a year contract from Thailand had only recently been dashed.

What made the deal look even more precarious was that this was not even a case of dyed-in-the-wool bus makers seeking to preserve life as they knew it: Mr McKinnon had been drafted in from the Leyland Trucks subsidiary - itself now part of DAF of Holland - during one of Rover's management shake-ups the previous year.

Nevertheless, the consortium did start off with some advantages, not least the cleaned-up balance sheet. They could also reasonably feel that the UK market was bottoming out.

Many buses on the UK's roads are more than 15 years old. This is the result of transit authorities waiting to see how deregulation would work and whether there would be a switch to mini-buses before placing substantive orders. These are only now starting to come through, and Leyland has been planning to cater to demand with the launch of a mid-sized bus, the "Swift."

Additionally, Leyland Bus has been able to maintain turnover with an exports business which still acounts for about 20 per cent of total turnover, and a thriving parts business based on a wold-wide Leyland bus population approaching 50,000.

Together, Mr McKinnon said yesterday, they allowed Leyland Bus last year to achieve its goal of break-even and a move into "modest" pre-tax profits during the current year.

Why then did the consortium decide to sell out? According to Mr McKinnon: "For the simple reason that while in the short term it would have been possible for us to survive, I'm not sure that we could have made tha needed heavy investment in future products."

Mr Ernst Knappe, senior vice-president of the parent Volvo company, made clear that there would be no such problem under the Swedish company's ownership. He promised "snbstantial" investment, which is to include the transfer to Leyland's UK plants of production of 1,000 Volvo buses a year starting in 1990, in addition to output of Leyland-badged vehicles.

On this scenario, production at Leyland's Farington and Workington plants in the north of England will rise from 1,400 units in 1987 to 1,750 this year, 2,000 in 1989 and at least 3,000 in 1990.

Implicit in these prodnction arrangements is a gradual further diminution in the UK content of Leyland buses, once over 90 per cent. Volvo yesterday gave no details but it expected that more, but by no means exclusive, use will be made of Volvo engines and transmissions.

Volvo is one of the world's leading manufacturers of buses, and in contrast to several competitors Volvo's bus operations have been consistently profitable throughout the 1980s. Last year was clearly its best performance of the decade: operating profits of its bus division jumped by 72 per cent to SKr179m (£16m) in 1987 from SKr104m, while sales rose by 14 per cent to SKr2bn.

Before the Leyland Bus purchase, which gives the Swedish group market leadership in West Europe, Volvo had already clambered up from fifth to second place in Europe since 1985 (for heavy buses with over 12 tons gross vehicle weight).

As some of its rivals faltered - Daimler-Benz bus output dropped by 10 per cent to 4,565 from 5,084 last year - Volvo has continued to advance in Europe, while consolidating its production at its Boras plant in western Sweden.

It has assembled buses in small numbers in the UK and in Belgium, but this stopped last year as plant capacity was needed for truck prodnction. Since 1986 Volvo has manufactured only the bus chassis, buying in body parts from local manufacturers.

Its other important bus plant is in Brazil where the group produced 690 buses last year compared with 2,485 in Boras. Local importers carry out some bus assembly in small volumes in countries such as Greece, Portugal, Australia and Peru.

Despite the successes of recent years - and Volvo claimed yesterday that current order books cover production capacity in Volvo Bus through to January 1989 – the company has suffered some reverses.

It was forced to close down its loss-making US bus manufacturing operations in 1986, less than four years after the plant was established at Chesapeake, Virginia. Demand for city buses had halved since 1980, and Volvo could not cope with the 25 per cent cut in prices that had resulted from the big reduction in subsidies to the public transport authorities.

The bus operations are only a small part of the total Volvo group witb bus division sales accounting for only 2.2 per cent of group turnover of SKr92.4bn in 1987. They are dwarfed by the car and truck operations, and are also smaller tban tbe group's operations in food, trading, and marine and aero engines.

Volvo entered the US truck market in 1981 through the takeover of the assets of White Motor Corporation, which was on the brink of financial collapse.

Defence procurement 'still beset by deep inefficiency'

BY RICHARD EVANS

BIG IMPROVEMENTS in procurement practices are to be introdnced by the Ministry of Defence following an inquiry which has found a continuing failure to achieve value for money.

The inquiry, launched by the Government's Efficiency Unit following the cancellation of the Nimrod early warning radar system in December 1986, found that despite improvements in recent years, deep managerial problems remained.

It found weaknesses including bureaucratic and unwieldy chains of command in overseeing weapons contracts, lack of overall control in the MoD's research establishments, and a failure to learn from international experience on the control of defence projects.

Lord Trefgarne, ministar responsible for defence procurement, said the Government welcomed the report. Most of its recommendations will be accepted.

The report, called Learning from Experience, accepts that recent reforms were necessary and important, but they did not yet provide "a degree of control commensurate with the complexity of the task and the sums of money being spent." The UK's defence procurement bill is around £9bn a year.

Government moves to restrict 'cabotage'

BY NICK GARNETT

THE GOVERNMENT last night introduced enabling powers into tbe Merchant Shipping Bill which would allow it to take retaliatory action against European Community shipping companies in the running dispute over coastal trade.

Mr Paul Channon, Transport Secretary, warned last month that Britain would restrict other EC shipping lines' rights to practice so-called cabotage along British coasts if they did not agree to liberalise coastal shipping throughout the Community. Cabotage is trade between ports within a country.

The Government is seeking this liberalisation at a meeting of the EC Council, probably in June.

The enabling powers, in the form of a two clause amendment to the bill which had its third reading last night, would allow the Government to ensure that any shipping company practicing cabotage in the UK must have an operating base there. This would have to be more than an agency.

An offending shipping company would be liable to a fine of £50,000 on summary conviction and, on indictment, offenders would face up to two years imprisonment.

Mr Channon said the Government wanted the liberalisation of all coastal trade in the EC and the enabling powers would be used only if attempts to achieve liberalisation failed.

Britain, Belgium, Ireland and the Netherlands are the only EC member states to allow foreign shipping companies the full right to pick up and deliver goods between ports on their coastlines. West Germany is partially liberalised.

UK NEWS

Mortgage rate cut heralds new offensive in lending

BY DAVID BARCHARD

THE HALIFAX building society and Lloyds Bank yesterday cut their mortgage rates by half a percentage point each, making it likely that other lenders will have to bring their mortgage prices down in the near future.

Halifax, Britain's largest building society with around 20 per cent of the building society mortgage market, reduced its mortgage rate from 10.3 to 9.8 per cent in a move which appeared aimed at winning business away from banks and the new mortgage lending institutions which have entered the market in the last three years.

The rate is the lowest the Halifax has offered for almost a decade.

Lloyds Bank, the smallest of the four big retail banks, cut its mortgage rate from 10.5 to 10.0 per cent, effective from April 7.

The decision to cut rates came as something of a surprise to the market yesterday, though it comes a fortnight after the banks' base rate was cut to 8.5 per cent. For the Halifax, however, a more important consideration appears to be the need to win back the building societies' share of the mortgage market at a time when they are flush with savings deposits.

The Halifax's new rate places it squarely within the 9.5 to 9.9 per cent range charged by the new lenders which have been making serious inroads into the building societies' traditional mainstream business over the last two years.

The new rate applies from April 1 for new borrowers and from May 1 for existing mortgages.

Under its terms, the monthly cost of a new £30,000 loan will be £188 as against the previous £193 and £221 as against £228 previously for a repayment loan, for a basic rate tax payer.

Although the other two large UK building societies, Abbey National and Nationwide, said yesterday that they had no plans to cut their mortgage rates at present, they may have no option but to cut their rates before long in the wake of Lloyds' decision to follow Halifax.

Both societies charge 10.1 per cent for their mortgages, 3 percentage points less than Halifax and so are under less immediate pressure to go down.

The other clearing banks indicated yesterday that they were reviewing their rates closely and suggested privately that further cuts might be imminent.

Conditions are currently favourable for the building societies to launch an offensive against their rivals in the mortgage market.

Since the stockmarket crash last October, savings have been flowing at record levels into building society deposits and all the societies have large amounts of funds available for lending.

Halifax may have found it easier to cut its rate at this point because its mortgages were slightly above prevailing building society rates and it was losing business as a result.

"We will certainly be looking very closely at our rates" said Mr Terry Adams, chief executive of the Skipton Building Society yesterday. "The banks will be hard put to beat this rate." However, Mr Adams gave a warning that lower mortgage rates could herald a reduction in investment rates.

Mr Richard Lacy, the chief executive of the National Home Loans Corporation, the largest of the new lenders, which will be offering 9.75 per cent from today on its Libor-linked Blue Chip mortgage products, said that customers preferred mortgage companies because of their speed of delivery and better service. He said: "We don't feel we have to respond to gimmicks, but we think we will still offer a lower mortgage price."

Another recent entrant to the UK market, the Mortgage Corporation, said that it had cut its mortgage rate from 9.9 to 9.75 percent in response to the Halifax's move.

Chips group launches plan to cut 400 jobs

By Terry Dodsworth, Industrial Editor

BRITAIN'S largest semiconductor manufacturing group, created only a few months ago by Plessey's takeover of the Ferranti chip manufacturing activities, has launched a large-scale redundancy programme which will result in about 400 job losses.

The cuts, involving about 13 per cent of the combined group's 3,000-strong workforce, will be mainly centred on the former Ferranti operations at Oldham in Lancashire, where 340 jobs are to be eliminated. Other posts will be trimmed from Plessey's own semiconductor plants at Swindon, in Wiltshire, and Roborough, near Plymouth.

Since taking over the Ferranti business in a £30m deal last November, Plessey has been expected to take steps to reduce costs.

The Ferranti chip business as a whole is believed to be roughly breaking even at present on sales of £60m a year.

Mr Doug Dunn, head of Plessey's fast-expanding semiconductor operations, said yesterday that Ferranti's operations would be profitable in the next financial year.

Thatcher announces enterprise plans for sites in Scotland

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

MRS MARGARET THATCHER, the Prime Minister, yesterday set out to revive spirits in Dundee - plunged into gloom by the collapse of Ford's project to build an electronics plant in the city - by announcing the go-ahead of a plant which is set to employ 300 people by 1992.

Earlier on her one day visit to Scotland, she announced the setting up of an enterprise zone - Scotland's fourth - at Inverclyde, the area centred on Greenock which has been devastated by the virtual collapse of shipbuilding.

The Prime Minister used her visit to attack the Labour Party and some of the trade unions over the Ford debacle. Ford said earlier this month that it was abandoning its Dundee project, which would have employed up to 1,000 people, because of the trade unions' failure to agree to a single union agreement.

Although she praised Mr Gavin Laird, general secretary of the AEU engineering union which offered Ford a single union agreement, she said she could not understand how "in this modern age there are some unions more concerned with demarcation, restrictive practices and sectional interests than in jobs for their fellow citizens."

Mrs Thatcher announced that Shield Diagnostics, a company financed by venture capital funds and other investors, would set up a £4m plant on the Dundee Technology Park, close to where Ford had been due to build its factory.

Shield Diagnostics which was founded five years ago by scientists from Dundee University Medical School, is to research, develop and manufacture kits for diagnosing rheumatoid arthritis and other illnesses, and for predicting the risk of heart attacks. It hopes to have the first 13,000 sq ft of its 40,000 sq ft plant operating by next January.

Shield Diagnostics has raised more than £4m in equity funding from a consortium of venture capital and other investors from both the UK and North America. They include 3i Ventures, Alan Patricof Associates, British Linen Bank, and Baring Brothers, Hambrecht and Quist.

Earlier in Greenock, Mrs Thatcher said that 3,000 extra jobs could be created at Inverclyde over the next 10 years through the designation of the enterprise zone. Companies which build plants in enterprise zones are exempt from business rates and enjoy 100 per cent tax allowances on buildings.

The sites for the 280 acres enterprise zone, to be announced later this year, are likely to include a mixture of high amenity green field and water front land, including a 45 acre former shipyard which the Scottish Development Agency purchased from Scott Lithgow.

PENDULUM arbitration, the strike-substitute mechanism at the heart of controversial strike-free deals being signed by some unions, has been favoured at a Sanyo factory in Suffolk, on the east coast of England. It is only the third example of a pay review under a strike-free deal going to arbitration. The unions have now won two out of the three cases, and in the third the employer made an offer nearer the unions' position after winning the arbitration.

Leaders of the EETPU electricians' union, which pioneered strike-free deals and has a single-union deal with Sanyo, claimed the result rebutted other unions which attacked the EETPU's stance.

Under pendulum arbitration, the arbitrator has to choose either the union's final claim or the employer's final offer.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY-Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1986							
2nd qtr.	108.5	102.3	96	121.3	154.0	3,209	175.6
3rd qtr.	110.3	104.3	95	123.7	158.7	3,202	200.2
4th qtr.	110.5	106.9	96	126.5	194.3	3,141	213.0
1987							
1st qtr.	111.3	106.5	95	125.4	156.9	3,073	210.4
2nd qtr	112.2	108.6	96	128.3	165.9	2,965	226.1
3rd qtr	114.0	111.2	94	131.8	171.3	2,827	241.3
4th qtr	115.1	112.8	94	133.4	210.8	2,658	262.1
July	113.2	110.3	94	131.0	173.6	2,876	235.1
Aug.	114.9	112.3	95	132.1	171.0	2,829	236.9
Sept.	113.6	111.4	94	132.0	170.0	2,775	248.6
Oct.	114.8	112.2	94	133.0	180.8	2,712	261.4
Nov.	115.1	112.9	94	133.6	198.3	2,649	268.2
Dec.	115.5	113.3	94	133.5	244.9	2,614	256.6
1988							
Jan.	114.6	112.5	90	134.9	176.0	2,565	249.5
Feb.				135.0		2,531	247.9

OUTPUT-By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1986							
2nd qtr.	105.2	98.4	116.3	101.2	110.0	104.2	18.5
3rd qtr.	106.4	99.1	117.3	101.6	108.8	103.1	19.4
4th qtr.	108.4	101.6	115.7	104.2	114.4	104.6	15.5
1987							
1st qtr.	107.4	100.8	117.9	103.2	114.5	103.2	17.4
2nd qtr	110.3	101.6	116.0	104.7	119.9	105.0	19.6
3rd qtr	112.6	105.1	118.7	108.1	120.8	106.4	20.3
4th qtr	113.8	107.7	119.1	109.8	121.6	107.3	17.3
June	110.3	102.4	118.1	105.0	123.0	105.0	20.2
July	112.3	102.5	118.7	106.0	121.0	107.0	20.9
Aug.	113.3	106.5	119.5	110.0	122.0	108.0	17.9
Sept.	112.4	106.0	117.6	109.0	119.0	105.0	22.1
Oct	112.5	105.9	119.4	109.0	131.0	107.0	18.1
Nov.	113.5	107.5	119.2	109.0	129.0	107.0	18.8
Dec.	114.6	109.5	118.6	111.0	115.0	107.0	14.9
1988							
Jan.	114.4	106.5	118.8	109.0	127.0	107.0	17.1

EXTERNAL TRADE-Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve US$bn
1986							
2nd qtr.	121.9	129.1	-1,608	+146	+765	102.5	19.20
3rd qtr.	122.6	139.0	-2,891	-856	+621	103.2	22.43
4th qtr.	129.9	143.0	-2,559	-856	+822	100.9	21.92
1987							
1st qtr.	129.5	132.5	-1,211	+789	+1,159	100.4	27.04
2nd qtr	126.6	141.1	-2,317	-909	+1,016	103.4	34.36
3rd qtr	130.6	151.1	-3,109	-896	+996	103.7	34.81
4th qtr	134.8	152.5	-2,968	-1,282	+1,073	103.9	44.33
July	130.1	148.8	-901	-353	+267	103.2	34.91
Aug.	127.4	154.8	-1,424	-967	+389	103.8	34.36
Sept.	134.1	149.7	-695	+43	+310	103.9	34.51
Oct.	131.8	148.4	-922	-353	+394	103.7	41.40
Nov.	135.4	154.3	-1,056	-488	+332	103.7	41.23
Dec.	137.1	154.9	-1,019	-441	+346	104.2	44.33
1988							
Jan.	126.4	151.0	-1,444	-844	+361	104.4	45.03
Feb.	133.7	147.9	-1,320	-720	+316	104.7	42.92

FINANCIAL-Money supply M0, M1 and M3 (three months' growth at annual rate); bank sterling lending to private sector; building societies' net inflow; consumer credit†; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending £m	BS inflow £m	Consumer. credit† £m	Base rate %
1986							
3rd qtr.	5.9	20.2	18.4	+6,995	168	+770	10.00
4th qtr.	7.6	15.9	14.1	+10,516	2,814	+801	11.00
1987							
1st qtr.	1.2	20.6	20.2	+6,733	1,465	+977	10.00
2nd qtr	3.3	20.7	20.5	+8,554	1,804	+1,068	9.00
3rd qtr	6.1	25.2	21.7	+11,596	1,211	+974	10.00
4th qtr	7.2	23.2	24.1	+11,282	3,967	+946	8.50
June	4.5	20.8	21.9	+3,959	556	+337	9.00
July	7.7	24.5	24.2	+4,531	347	+277	9.00
Aug.	7.1	22.5	21.0	+2,651	667	+250	10.00
Sept.	9.5	19.5	21.4	+4,334	197	+347	10.00
Oct.	6.2	26.7	23.8	+3,018	612	+340	9.50
Nov.	7.1	22.2	21.8	+3,999	1,126	+357	9.00
Dec.	7.6	11.6	21.9	+4,266	1,069	+349	8.50
1988							
Jan.	4.2	1.0	7.3	+5,649	890	+320	8.50
Feb.	3.5	2.9	9.9	+2,618	1,102		9.00

INFLATION-Indices of earnings (Jan 1980=100); basic materials and fuels; wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1987=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100)

	Earn-ings*	Basic matls.*	Whsale. mnfg*	RPI*	Foods	Reuters* cmdty.	Sterling
1986							
2nd qtr.	184.0	125.8	145.7	97.8	98.7	1,714	76.1
3rd qtr.	187.4	120.8	146.3	97.9	98.3	1,464	71.9
4th qtr.	191.0	127.4	147.4	99.1	98.2	1,608	68.2
1987							
1st qtr.	192.9	128.8	149.3	100.2	100.5	1,599	69.9
2nd qtr	198.0	128.7	150.9	101.9	101.8	1,598	72.8
3rd qtr	202.0	131.0	151.8	102.1	100.5	1,647	72.7
4th qtr	206.6	132.4	153.3	103.3	101.7	1,683	74.9
July	202.1	130.5	151.3	101.8	100.4	1,632	72.6
Aug.	201.6	131.3	151.5	102.1	100.7	1,658	72.2
Sept.	201.6	131.1	152.0	102.4	100.4	1,650	73.1
Oct.	203.4	130.8	152.8	102.9	101.1	1,662	73.6
Nov.	207.3	131.4	153.2	103.4	101.6	1,682	75.4
Dec.	210.2	135.1	153.7	103.3	102.4	1,707	75.8
1988							
Jan.	206.8	135.9	154.6	103.3	102.9	1,792	74.9
Feb.		134.7	155.3	103.7	103.6	1,755	74.3

*Not seasonally adjusted

†Net changes in amounts outstanding, excluding bank loans.

UK NEWS

Irish group strikes gold in Scottish Highlands

By Kenneth Gooding, Mining Correspondent

ENNEX International, the Dublin-based exploration company, said yesterday that results of a recent drilling programme confirmed it has discovered the first substantial gold and silver resource in Scotland.

The company had lodged a planning application to carry out underground exploration work and, if the early results are confirmed, "rapid development of the gold-silver deposit will follow."

Ennex, which since 1984 has been quoted on the London and Dublin Unlisted Securities Markets, has a 93 square mile licence area at Cononish, in the Western Highlands of Scotland, 60 miles north-west of Glasgow.

It said results from a 26-hole drilling programme indicated a geological ore reserve of 525,000 short tons (2,000 lb) containing 0.22 troy ounces of gold per ton, or a total of 115,500 troy ounces, plus 1.67 troy ounces per ton of silver (876,000 ounces in total).

Bulk samples were being tested and initial testwork on drill core samples indicated that more than 94 per cent of the gold could be recovered.

The company suggested the discovery "gives added significance to other similar mineralised structures on Ennex's properties in the immediate vicinity."

Ennex said it also hoped to produce gold in Northern Ireland projects as early as next year.

However, there were still three hurdles to be overcome: the successful completion of underground assessment; a decision on the mining method to be used; and the granting of planning permission by the end of this year.

Ennex has licences covering 310 square miles in the Sperrin Mountains area at Curraghinalt and hopes to lift production to 500 tonnes a day to produce an annual 30,000 troy ounces of gold.

Foreign subsidaries face sharply higher tax bills

BY RICHARD WATERS

THE ATTRACTION of the UK as a European base for foreign companies could be in jeopardy if the tax authorities continue to challenge the capital structures of companies' subsidiaries in Britain, tax experts warn.

Today sees the deadline for comments to the Inland Revenue on an Organisation for Economic Co-operation and Development paper on capital structure, issued last autumn. Experts fear that this will lead to a formal Revenue statement on structure which will cause sharp increases in the tax bills of foreign companies' subsidiaries in the UK.

Some companies have got around UK tax by financing their subsidiaries with debt rather than equity, the Inland Revenue claims. Interest payments on debt are tax-deductible, effectively allowing profits to be transferred overseas untaxed.

These "thinly capitalised" companies have been under attack recently. The Inland Revenue has argued that some of their debt should be redefined as equity for tax purposes.

To support its case, the Revenue has surveyed the capital structure of UK companies and is using this as a starting point for negotiations with taxpayers. Its survey is believed to show an average equity/debt ratio of around 1:1.

Observers fear that the tax authorities will publish minimum requirements for capital structure. Even at 2:1 or 3:1, these would be damaging for companies from countries whose financial traditions have placed less emphasis on equity than the UK.

As well as influencing decisions on inward investment, a stricter regime would be likely to apply to companies well established in the UK who have previously agreed their structure with the Inland Revenue.

Other Western economies have already launched attacks on thin capitalisation, with Australia last autumn announcing an equity/debt ratio for tax purposes.

The Revenue yesterday declined to estimate how much tax is lost each year by companies substituting debt for equity capital.

Teesside set for multi-million pound chemical industry project

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

BRITISH URBAN Development (BUD), the new consortium of 11 large UK construction, property and civil engineering companies, yesterday announced a marketing strategy to turn Teesside into the world capital of the chemical industries.

The project involves changing the image of the struggling English north-east and attracting job-creating investment worth hundreds of millions of pounds.

The area already houses one of Europe's biggest concentrations of petrochemical industry and has outstanding deepwater berthing facilities.

The aim is to use 1,000 acres of reclaimed or currently derelict land to attract other companies from around the world and develop an inter-trading economy in speciality chemicals and feedstocks that can be shipped anywhere. Chemical companies in the Far East are likely targets.

BUD has opened an office in the headquarters of the Teesside Development Corporation, the Government's main agency for regenerating the area. BUD will spend £40,000 in the next two months on studies by surveyors, engineers and architects and then use the results in a world-wide marketing campaign with the TDC to international chemical companies.

Preliminary talks have already taken place with some of the companies, which Mr Hartley Booth and Mr Duncan Hall, the respective chief executives of BUD and the TDC, describe as promising enough to encourage the initial spending.

The project is the first by BUD, which was itself launched only three weeks ago by AMEC, Alfred McAlpine, Sir Robert McAlpine, BICC, Costain, John Laing, Mowlem, Tarmac, Taylor Woodrow, Trafalgar House and Wimpey.

BUD will also work with the TDC and the borough council on the old Middlesbrough docklands to convert the disused area for housing, leisure and offices and to integrate it with the town centre to improve the quality of life in the area.

The 5,000 acres of land surrounding the chemical industry development site will also be developed - but as a conservation area. It includes Seal Sands, an ecologically important feeding area for migrating birds.

Chemical companies already operating in the vicinity include ICI, Laporte, BASF, Tioxide and Norsea. Much of the land involved is owned mainly by Rank Hovis MacDougall, ICI, British Steel and the Tees and Hartlepool Port Authority.

Mr Ron Norman, chairman of the TDC, said that co-operation was likely and there would be no need for the TDC to use its compulsory purchase powers.

Steel 'surprised' at leadership backing

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

THE CONTINUING uncertainty over whether or not Mr David Steel, who led the former Liberal Party, will stand for the leadership of the Social and Liberal Democratic party was heightened yesterday when he disclosed that two-thirds of the parliamentary party want him to run.

Mr Steel, the joint interim leader of the Democrats, said that he had been "pleasantly surprised" by the force of opinion expressed by fellow MPs, but that their views would not be the determining factor.

He is also known to have the support of major party figures such as Mrs Shirley Williams and Lord Jenkins of Hillhead, two of the "gang of four" founders of the original Social Democratic Party.

Speaking at Westminster, Mr Steel said he had not disguised his opinion that a new party ought to have a new leader and his view remained unchanged. He said that he would nevertheless consider what had been said to him before making up his mind.

Mr Steel said that one third of the party's 19 members of Parliament did not want him to stand, but he stressed that they remained divided on who would make the best leader.

The latest evidence of strong parliamentary support for a Steel leadership, combined with continuing doubts within the party about the attractions of the alternative candidates, could prove sufficient to overcome Mr Steel's reluctance to stand.

He made clear yesterday that the decision to be made centred on personal considerations and whether he was prepared to continue leading a party after nearly 12 years as leader of the Liberals.

David Steel: weighing the options for the SLDP

Nominations for the leadership contest will open on June 17 and close a week later. Ballot papers will be issued at the beginning of July and the result will be known on July 28.

All leadership contenders have agreed not to make known their decision on candidacy until June, in order to allow the party to concentrate on the May local elections.

Some party leaders, however, believe that, with the local elections out of the way, pressure for an early announcement of leadership candidates will mount rapidly and that an earlier timetable will have to be considered.

FT LAW REPORTS

Panel fair to Guinness

REGINA v PANEL ON TAKEOVERS & MERGERS, EX PARTE GUINNESS plc
Queen's Bench Division, Divisional Court:
(Lord Justice Watkins, Lord Justice Russell and Mr Justice Tudor Evans):
March 29 1988

THE TAKEOVER Panel's decision that the Distillers take-over was effected by a Guinness concert party in breach of the City Code, was not invalidated by lack of evidence from those comprising the concert party, in that despite substantial reliance on hearsay and inference, there was sufficient evidence to justify its decision. Also, the Panel's lack of consideration in refusing Guinness a short adjournment of some weeks to prepare its case was not unfair in that it was doubtful that additional material would have been available in that time. The Panel's refusal to grant an adjournment pending publication of a DTI inspectors' report was not unfair, in that it weighed all proper considerations and bore the right legal principles in mind.

The Divisional Court so held when refusing applications by Guinness plc for judicial review of the refusal by the Panel on Takeovers and Mergers to adjourn a hearing arising out of Guinness's takeover of Distillers Co plc, and of its decision at that hearing that Guinness was in breach of the City Code on Takeovers and Mergers.

LORD JUSTICE WATKINS said that in early 1986 Distillers was the subject of competing takeover bids from Argyle Group and Guinness.

By April 17 1986 each had acquired shareholdings of just under 15 per cent in Distillers. About 3 per cent of the whole share capital was held for clients by Mercury Warburg Investment Management Ltd.

By mid April the Argyle cash alternative offer to Distillers shareholders stood at 660 pence per share, and the similar Guinness offer at 630 pence per share.

On April 17 Warburg put on the market its entire holding of 10.6m Distillers shares. They were bought at 705 pence per share by Cazenove, one of Guinness's stockbrokers, for Pipetec, a Swiss finance company wholly-owned by Swiss bank, Bank Leu.

The Executive of the Takeover Panel investigated. On April 17 it received assurance from Guinness director, Mr Olivier Roux, that there were no arrangements in being which might suggest that Guinness and Pipetec were acting in concert.

On April 18 1986 a letter from Pipetec to Guinness director, Mr Ward, stated that it had, on his instruction, bought £76m-worth of Distillers shares and that Guinness had undertaken to repurchase the shares within 60 days. The letter appeared to be countersigned by Mr Ward.

On December 1 inspectors were appointed by the Secretary of State for the Department of Trade and Industry to enquire into and report on Guinness's affairs.

The Guinness board was reorganised in the middle of January 1987. The new board had doubts as to the authenticity of the Pipetec letter of April 18.

Unaware of the Pipetec letter, the Panel issued a statement on January 30 1987 that because DTI inspectors had been appointed, it must await the outcome of their enquiries before publishing findings of its own.

On May 11 the Panel became a "designated authority" by the Financial Services (Disclosure of Information) (Designated Authorities No 2) Order 1987. The effect was to permit disclosure to the Panel by the DTI of information to which it would not otherwise be entitled, providing the disclosure was to enable the Panel to discharge its functions.

That enabled the DTI to provide the Panel with a copy of the Pipetec letter. It was learnt that the inspectors' report would take much longer than anticipated. The Panel decided to re-examine the takeover. On July 31 its Executive told Guinness to be prepared for a panel hearing on September 2.

On August 12 Mr Walker-Arnott for Guinness sought deferral of the projected hearing for a limited time or at least until the inspectors' report became available. The Panel refused.

Mr Robert Alexander QC was Chairman of the Panel. In his draft reasons he said that the material to be put before the Panel on September 2 suggested there was a case to be enquired into as to whether Guinness and Pipetec acted in concert to make purchases resulting in inequality to Distillers shareholders.

At the September 2 hearing Mr Walker-Arnott applied again for an adjournment. He was unsuccessful. The hearing took place. Oral evidence was given on behalf of the Executive, Cazenove, Morgan Grenfell (merchant bankers to Guinness), and Guinness.

A number of persons who could have had some very revealing things to say were conspicuous by their absence.

The Panel concluded that Guinness had infringed rule 11.1 of the City Code on Takeovers and Mergers, in that the existence of a concert party between Guinness and Pipetec had been established.

Rule 11.1 provided that where 15 per cent or more shares were purchased for cash the offer should "except with the consent of the Panel . . . be not less than the highest price paid by the offeror or any person acting in concert with it . . ."

The rule was designed to uphold the principle that there should be equality of treatment for shareholders of the company which was the subject of the takeover bid.

The Code did not have the force of law, but those who wished to take advantage of the facilities of the UK securities markets conducted themselves according to its rules.

Guinness applied for judicial review. It sought declarations that the refusal to adjourn and the decision that it had infringed rule 11.1 were unfair and unlawful.

Mr Oliver for Guinness and Mr Buckley for the Panel agreed that the Panel was obliged to act fairly according to natural justice.

Mr Oliver submitted that fairness in the present context required that the hearing be adjourned at least until after publication of the inspectors' report. He maintained, rightly, that there was no precedent for an investigation held so long (16 months) after the outcome of a bid, and none for a decision that a concert party existed without evidence from the persons alleged to have composed it.

It could not be denied that the main actors on the Guinness side were not before the Panel; that the Panel relied to a substantial extent on hearsay evidence; and that the main and most important inferences drawn were from documents, the makers of which the Panel neither saw nor heard.

Granting or refusing an adjournment was very much a matter of discretion for a judge or tribunal such as the Panel.

There was no difficulty in accepting that a short adjournment for some weeks was required to give Guinness the fullest opportunity to meet various matters. Whether additional material would have become available was doubtful, but the chance to ascertain whether such material was to hand could have been granted.

Had it been possible to conclude that a short adjournment woul have done tellingly more to allow Guinness to prepare a better presentation, there would have been no hesitation in saying there was unfairness or breach of natural justice.

Lack of consideration there was, but that did not amount to breach of natural justice.

Mr Oliver maintained that the refusal to adjourn until publication of the inspectors' report was plainly unreasonable and unfair. He said Guinness had no evidence of its own to tender to the Panel. The only persons with power to compel evidence were the inspectors, who might provide valuable information which would have the effect of reversing the Panel's decision.

There was nothing irrational or unreasonable about the Panel's refusal to adjourn. Tha Panel weighed in the balance all proper considerations, including the kind and scope of available evidence, and it approached those considerations with the right legal principles in mind.

Mr Oliver said the Executive denied a fair trial to Guinness, and reached a decision which was unjustified on the evidence. He said no reasonable Panel could have reached it.

Judicial review was not an appeal from a decision, but a review of the manner in which the decision was made – see *North Wales Police [1982] 1 WLR 1155,1174*. One must therefore look at the manner in which the decision was made, comprehending not only the procedures adopted, but also the quality of the evidence at the Panel's disposal and Guinness's capacity, on that evidence, to cast doubt on the allegation that the takeover was effected by a concert party in breach of the Code.

Guinness was not denied its right to be treated fairly. There was no procedural impropriety. There was sufficient evidence to allow the Panel to decide as it did, having drawn a number of necessary inferences to that end.

The applications were dismissed.

Lord Justice Russell and Mr Justice Tudor Evans agreed.

For Guinness: David Oliver QC and Patrick Elias (Herbert Smith)
For the Panel: Roger Buckley QC and Paul Walker (Durrant Piesse)

Rachel Davies
Barrister

Company Notices

Personal

Management Accountant
Knight-Ridder Unicom
London c£20,000 + car, bonus & benefits

Knight-Rider Unicom, a subsidiary of a major U.S. media group, has rapidly expanding international operations in some thirty countries. It provides clients with real time financial data via a worldwide communication network.

Reporting to the Financial Controller, the wide-ranging responsibilities will include the co-ordination of UK reporting, and the management and further development of computerised information systems. Career prospects within this growing company are excellent.

The successful candidate will be an ambitious qualified accountant, probably aged around 28, with a background of working to tight deadlines in a well controlled organisation.

Previous involvement with computerised systems is essential and experience of micro computer modelling techniques is highly desirable.

Personal skills must include a positive approach, determination, initiative and the ability to communicate at all levels.

Please reply to Lesley Bowden on 353 4861 Ext 239 in strict confidence with details of age, career and salary progression, education and qualifications.

INTERNATIONAL APPOINTMENTS

Ogilvy Group to have change of chairman

THE US-BASED Ogilvy Group, with worldwida interests in advertising, direct response, research, public relations consulting, graphics, promotions and translations, is to have a new chairman and chief executive officer in May.

Mr William E. Phillips, 58, has announced that he will be succeeded in these posts by Mr Kenneth Roman, 57, currently chairman of Ogilvy and Mather Worldwide, the Ogilvy Group's largest operating company with 247 offices in 47 countries. Mr Phillips' decision to relinquish the leading role will be declared to shareholders at a meeting in May, when the handover will formally take effect.

Mr Phillips will become chairman of Ogilvy Group's executive committee and remain a director of the corporation. He will also oversee the Group's interests in Research International, and also Scali McCabe Sloves, the creative services division.

Mr Roman joined Ogilvy and Mather in 1963 as an assistant account executive, where his responsibilities included General Foods and American Express. He was made president of the US company in 1979, a vice-chairman of the parent company in 1983, president of Ogilvy and Mather Worldwide in 1985 and chairman of Worldwide in 1987.

Prior to 1963, he had ten years of client experience as advertising manager for appliance, building material and chemical companies.

Mr Phillips has served about 29 years with the company. He spent a five-year period from 1970 establishing Ogilvy and Mather partnerships throughout Latin America. He became president of the US agency in 1975, chief executive of the parent company in 1981 and chairman in 1982.

He has spearheaded many of the group's well-known assignments, including the Big Apple campaign for New York City in 1976, US census in 1980 and current Outward Bound campaign.

Capital markets unit for Daiwa Europe

DAIWA EUROPE, a subsidiary of Daiwa Securities, one of the Big Four Japanese securities firms, is planning to establish a new capital markets division made up of Eurobond syndication and primary sales executives, and debt specialists from its corporate finance group, Reuter reports.

The division's formation coincides with a management realignment, including the departure of Mr Shuichi Taniguchi, head of eurobond syndication and primary sales, for a position with Daiwa Securities, in Tokyo.

The capital markets unit chief will be Mr Nobuo Yonetani, managing director and head of the corporate finance department.

The new division will include executives responsible for new corporate and sovereign debt business. Mr Yoshiharu Ohi, executive director, will take responibility for the remaining corporate finance activities, consisting primarily of equity-related transactions.

Until now, Eurobond syndication and primary sales have come under the jurisdiction of Daiwa's bond business group, headed by Mr Ryonosuke Miyoshi.

Mr Soichiro Kashiwa, executive director and currently head of secondary bond sales, will replace Mr Taniguchi as head of syndication and primary sales.

Mr Taniguchi, an executive director who has served with Daiwa Europe for more than six years, will become general manager of Daiwa Securities' international finance department. The firm said Mr Taniguchi's departure was the normal rotation of a senior executive.

The new capital markets division is designed to place debt specialists from syndication, sales and corporate finance together in the same location, so as to coordinate related functions better.

Chairman of Denison Mines dies

By David Owen in Toronto

MR STEPHEN Roman, the outspoken chairman and chief executive of Toronto-based Denison Mines and a leading figure in the Canadian mining industry, has died suddenly at the age of 66.

He will be succeeded by his daughter, Ms Helen Roman-Barber, the vice-chairman since 1985.

Mr Roman held 29.5 per cent of Roman Corp, the owner of 36.7 per cent of outstanding Class A Denison shares.

The diversified energy, coal, uranium and potash producer has gone through a sticky patch in recent years as commodities markets turned against it. But profits rose in 1987 to C$27.2m from the previous year's C$18.8m.

Mr Roman arrived in Canada from Slovakia at the age of 16 in 1937. He made his first million in the American oil and gas sector, before buying control of the huge Denison uranium orebody in Ontario in the early 1950s.

* * *

KIM KUN, former president of the Korea Stock Exchange, has been named president of the State-run Bank of Korea (BOK), AP-DJ reports from Seoul.

Bank officials said last Friday that Kim, 58, took office that day, replacing Park Sung-Sang, who still had about a year of his term to complete. Government officials did not disclose the reason for Park's replacement.

Vice-chairman to leave Storagetek

STORAGE TECHNOLOGY (Storagetek), a leading US manufacturer of disk and tape drives for computer systems, announced that Mr Stephen Jerritts, the vice-chairman, intends to leave the company at the end of next month.

Mr Ryal R. Poppa, chairman, president and chief executive officer, stated: "I would like to express our sincere appreciation for the contributions Steve made during the very successful financial reorganisation period of late 1984 through to mid-1987. His participation over the last three years will have lasting, positive impact on Storagetek. We wish him well in the future endeavours he undertakes."

Founded in 1968, Storagetek showed strong growth to post annual revenues in excess of $1bn by 1982, and became a Fortune 500 company. It developed acute cash flow problems, however, through a very heavy programme of investment in new technology, and in October, 1984, had to file for protection from its creditors under Chapter 11 of the US Bankruptcy Code.

By January the next year, Mr Poppa, a veteran at revitalising ailing companies, had been called in to take over the helm. He devised a reorganisation strategy, with Mr Jerritts a central figure in its implementation.

For the past two years, Storagetek has been producing profits each quarter, and its recovery from a bankruptcy situation is thought to be one of the fastest on record.

In addition, Mr Poppa announced that Mr James M. MacGuire has rejoined Storagetek as an executive vice-president for worldwide marketing and sales. He will assume all marketing and sales responsibilities previously held by Mr Jerritts.

"I am delighted that we were able to attract an executive with such a perfect fit to our needs at this time of rapid new product installation and growth," Mr Poppa declared. "He brings a wealth of strategic marketing and industry sales experience to Storagetek."

Mr MacGuire had held positions with Sperry Rand Univac, IBM and Telex. Then from 1969 to 1980, he had served with Storagetek as president of the company's field operations division and president of its communications subsidiary. Most recently, be was an executive vice-president of Aspen Peripherals.

* * *

GOODMAN Feilder Wattie, the Australasian food group, has appointed Mr W.J. (Bill) Richardson to the newly created post of general manager, Wattie Foods Australia, writes Dai Hayward in Wellington.

Mr Richardson, who has held several executive appointments within the Wattie organisation, will be based in Sydney. He will act as liaison between the consumer food units in Australia and New Zealand.

Accountancy Appointments

FINANCE DIRECTOR

Commercial & Residential Mortgage Corporation

London from £25,000 plus "a share in success"

CRMC is a newly established mortgage company lending in both the commercial and residential sectors on clearly defined market opportunities. The strategic plans underpinning its launch realistically forecast exciting growth and profit projections over the first five years.

The company has impressive financial backing and the Finance Director, together with the newly appointed Director and General Manager, will work closely with the highly experienced non-executive members of the Board during this start up period.

Thus, although the longer term prospects will give a broader managerial emphasis to this key role, the initial priorities will make this a "shirt sleeves" role.

The appointee will have full financial management responsibility and establish the policy and systems framework to support the company's growth.

Candidates should be mature chartered accountants, with several years post qualification experience and preferably with some exposure to the mortgage/lending sector. They must have personal confidence, drive and a strong entrepreneurial streak.

The remuneration package is geared to sharing in the success of the enterprise and will include profit related bonus and a share option scheme, besides the usual range of fringe benefits. Please write in confidence with full career details, quoting reference C4321 to Mike Smith.

KPMG Peat Marwick McLintock

Executive Selection and Search
9 Creed Lane, London EC4V 5BR.

Financial Controller

S.Herts. c.£30,000 + Car + Profit Share

Our client is the UK subsidiary of a major North American publishing house. Turnover in the UK has grown consistently and currently stands at £10m. The company is committed to further, significant expansion which it will achieve by a mixture of organic growth and acquisitions.

Reporting to the Managing Director, the appointee will be a member of the executive team with the brief to supply a financial input to commercial decision making. There will be full involvement in strategic issues providing the opportunity to really participate in business development. Additional areas of responsibility will focus upon review of the company's computer systems needs, management information and statutory accounts, the planning cycle, cash flow and credit control and the investigation of potential acquisitions.

Candidates will probably be graduate chartered accountants aged 30-35. A background in publishing or similar sales driven environment would be advantageous as would previous acquisitions experience. Personal skills will include flair and imagination, analytical ability and a thorough approach to problem solving. The role requires self confidence, determination and the inclination to work as part of a close knit team. This is an excellent opportunity to grow with the business with potential for a move into more general management or finance directorship.

Please reply in confidence, giving concise career, personal and salary details to:
Brendan Keelan Ref ER 992.
Arthur Young Corporate Resourcing, Citadel House, 5-11 Fetter Lane, London EC4A 1DH.

Arthur Young Corporate Resourcing
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Financial Controller

Covent Garden c.£27,500 + Bonus + Car

Michael Page (UK) Ltd is a rapidly growing, highly profitable company, and is a market leading recruitment consultancy in the accountancy, 'City', marketing and legal fields, with exciting plans for future growth.

We require a Financial Controller who will be responsible to the Group Finance Director for total financial management of the company, including management and statutory reporting, budgetary control and treasury. Specific emphasis will be placed on the implementation of a fully integrated database system, management and motivation of a small team and contribution to the general management of an extremely dynamic business.

Candidates, aged 27-32, should be graduate qualified accountants, with a strong track record of achievement gained at the sharp end of a fast moving commercial environment. Excellent communication skills, high levels of energy and strong commercial flair are essential.

Our company's continuing exponential growth ensures that long-term career prospects are excellent. If you feel that you can match our exacting standards and contribute to our future success, please write to Alan Dickinson ACMA, Deputy Managing Director, Michael Page (UK) Ltd, 39-41 Parker Street, London WC2B 5LH (telephone 01-831 2000).

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Glasgow & Worldwide

GROUP FINANCIAL DIRECTOR (Designate)

International Responsibilities with Board-Level Prospects
c.£30k+Car+Share Options

Senelco, jointly owned by the Sensormatic Electronics and Davy Corporations, is the highly profitable market leader in electronic tag retail security systems, with overseas subsidiaries in Australasia, Hong Kong, and the United States. The company continues to invest strongly in its Eureka intelligent tag system, which is presenting exciting world-wide opportunities in highly varied remote indentification and control markets.

The successful candidate will be a fully qualified accountant with exceptional commercial acumen and drive. Applicants must be fully conversant with small computer systems, possess a sound knowledge of company secretarial practice and have good interpersonal skills. Experience of equipment rental operations, contract negotiations and international reporting and control would be particularly advantageous.

Salary will be negotiable around £30,000 p.a., with valuable share options and a company car all being part of the comprehensive package. This is a highly visible appointment with excellent prospects of promotion to the Board.

Please write with CV in the first instance to Angela Wade, Senelco Ltd., Dorney House, Upton Road, Slough, Berks SL1 2AD.

SENELCO

CJA

RECRUITMENT CONSULTANTS GROUP
3 London Wall Buildings, London Wall, London EC2M 5PJ
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-256 8501

Challenging high profile Head Office opportunity for an ambitious young accountant with corporate taxation background to broaden commercial experience in the industrial field.

DEPUTY GROUP FINANCIAL CONTROLLER AND TAX SPECIALIST

MOLINS

MILTON KEYNES £18,000-£22,000

MOLINS PLC, A PUBLICLY QUOTED COMPANY, IS AN INTERNATIONAL PRECISION ENGINEERING COMPANY DESIGNING, MANUFACTURING AND MARKETING SPECIALISED MACHINERY FOR THE TOBACCO, PAPER PACKAGING AND BANK NOTE PRINTING INDUSTRIES. T/O IN EXCESS £100M.

We invite applications from qualified accountants, ideally with 1-2 years' post qualification experience in corporate tax management, who are seeking to develop their careers into a wider accounting role. The selected accountant, who will report to and deputise for the Group Finanical Controller/Company Secretary, will be responsible in three main areas for: all aspects of the Group's taxation management; as part of the HO accounting team for corporate accounting and assisting with investigations into potential acquisitions; plus working on special studies and advising the company's six overseas subsidiaries and associates including USA, India and Brazil. Essential qualities are the ability to communicate effectively at all levels and to make a significant impact as part of a team from "day one". Initial salary negotiable £18,000-£22,000, contributory pension, free BUPA and relocation expenses where appropriate. Applications in confidence to: Tony Rist, Group Personnel Manager, Molins plc, Grafton Court, Winterhill, Childs Way, Milton Keynes, MK6 1AF. Telephone: 0908 663666.

Treasurer

Central London to £40,000 + Benefits

Our client is a rapidly growing public company in the service sector, with interests both in the UK and Europe.

As part of a planned programme of development and expansion, they are seeking an experienced professional to establish a treasury function.

Areas of experience considered essential, are:

- exposure at a senior level to City based financial institutions;
- the establishment of new bank relationships;
- the implementation of treasury management and reporting systems, cash management and foreign exchange.

Great importance is attached to a professional approach, and the position would appeal to Assistant Group Treasurers in major Plc's who, seeking rapid career development, would be attracted to an opportunity to head a department.

Candidates will be graduates in their mid thirties with either an accounting qualification and/or an MBA, and should possess the strong personal qualities necessary for success in this role.

Interested candidates should write, enclosing a comprehensive curriculum vitae and daytime telephone number to Tony Martin, Executive Division, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH, quoting ref. 497.

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Glasgow & Worldwide

The Touche Ross Guide to Business Responsiveness:

14. At all times taking the balanced view.

In these fast-moving days of automation, the temptation for many business advisers is to rush up with mould-breaking ideas, as if 'revolutionary' was the only acceptable currency.

There is a danger, however, when enthusiasm isn't tempered by experience.

So when Touche Ross were asked by *S.W.I.F.T. (The Society for Worldwide Interbank Financial Telecommunication)* to review the procedures used to maintain control and security of the S.W.I.F.T. telecommunications system, we took each step very carefully.

A computer security review implicitly involves criticism, but the key is to strike a balance (on one hand you can't be too lenient, on the other you mustn't suggest changes that are largely impractical). And with S.W.I.F.T.'s huge network (processing hundreds of millions of financial transactions each year for 2,500 banks across 54 countries) the sheer implementation of ideas is crucial.

So the Touche Ross team comprised computer audit, telecommunications, banking software and computer security specialists. They drew on information from S.W.I.F.T. personnel, observed operating procedures, and examined paperwork by the metric tonne.

Did our final recommendations strike the right balance? With over 75 per cent of them implemented so far, we'd say so.

At Touche Ross we tackle projects larger than this – and very much smaller. If you'd like us to put our heads together on yours, get in touch.

Please telephone or write to Geoffrey Parker at our London office. You'll find us very responsive to the business problems you face.

For the sure touch, get in Touche.

Touche Ross

Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.

Touche Ross is one of the leading firms of accountants and management consultants, with 28 offices in the UK and 488 offices in 87 countries throughout the world.

Financial Accounting Manager

to £30,000 + Car
West London

This £3 billion UK Group is already a powerful trading force in a highly competitive retail market. Current major business developments are providing both challenge and stimulus to a vigorous and cohesive management team.

The Financial Accounting Manager is a senior member of a finance function which enjoys a strong profile within the organisation. The need is for a high calibre professional to lead a team of eighteen in providing key financial information, close asset control and full statutory accounts. This is a complex and sophisticated computer environment demanding a progressive and proactive management approach and the interpersonal skills to influence at all levels.

Applicants should be graduate accountants with an enthusiasm for large scale financial operations in addition to first class technical abilities. Age guideline—30's.

Please reply in confidence quoting Ref E119 to:

Margaret Mitchell
Mason & Nurse Associates
5a Station Road, Egham
Surrey TW20 9LD. Tel: 0784 71255
Offices in London, Birmingham and Egham

Mason & Nurse
Selection & Search

FINANCE DIRECTOR

Southern Home Counties

FCAs 40+ **c.£40,000 + car**

Our client is a major estate agency/financial services group operating nationwide and seeking to recruit a Finance Director to take responsibility for a significant part of the group's interests in Southern England.

Reporting to the Divisional Managing Director, the role will cover responsibility for statutory accounts, monthly/annual financial and management accounts, the preparation of annual budgets, budget variance analysis and remedial action, credit control, development of computer based accounting systems, acquisitions and integration of recently acquired subsidiaries.

Candidates (male or female) should have experience of financial control in a similar sector or in industry and be able to demonstrate first class staff management abilities, communication skills and systems development expertise.

Please send a copy of your C.V. to **George Ormrod B.A. (Oxon)** Douglas Llambias Associates Limited at our London office **quoting reference No. 8606**

FINANCIAL & MANAGEMENT RECRUITMENT CONSULTANTS
DOUGLAS LLAMBIAS
LONDON · BIRMINGHAM · LIVERPOOL · MANCHESTER · ABERDEEN · EDINBURGH · GLASGOW
DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WC2R 0NS
TELEPHONE: 01-836 9501

EASTBOURNE

Borough Treasurer

£23,500-£25,900

Eastbourne is a major tourist conference and entertainment centre attractively located on the South Downs near Beachy Head.

A Borough Treasurer is now required as the Council's Chief Financial Officer, who has the management stature to make a real impact on the performance and development of a department of over 100 and who can maximise our investment in the latest technology.

You will make a major contribution to policies, advise the council, committees and colleagues alike on the financial consequences of different courses of action and on the development of management information.

You will be a qualified accountant with at least 10 years' experience in the public sector or industry at a senior level and be strong on team building, motivation, and the use of management information systems.

Benefits include an attractive relocation package.

Please telephone Eastbourne (0323) 21333 Ext. 5009 for details and an application form, to be returned to the Chief Personnel Officer, Eastbourne Borough Council, Central Services Office, Grove Road, Eastbourne BN21 4TW by 22 April.

Accountancy Personnel

Placing Accountants First

CAN YOU DELIVER THE GOODS?

TNT Express

North West **£16,000+car+benefits**

TNT Express UK Ltd is a well-established market-leader at the forefront of a high growth area.

A commitment to expansion through the development of new markets has created the need for a young qualified accountant with industrial experience, to join the North West accounting team.

With a strong personality you will be able to work on your own initiative on a number of projects and also have sufficient presence to represent the department to both accounting and non-accounting managers.

In addition to the extremely attractive salary and benefits package, advancement to line management will be rapid if you have the drive and motivation to succeed.

For further details, please contact Accountancy Personnel, 29 Stamford New Road, Altrincham, Cheshire WA14 1EB Tel: 061 926 8605

FINANCIAL DIRECTOR DESIGNATE

CONFIDENTIAL

North Manchester **c£22,000+Car**

Our client, the UK market leader in a highly specialised section of the textile industry is currently enjoying a period of dramatic expansion. As a result, your skills are now needed to control the finance function and lead the company to further success.

If you enjoy a practical approach to management with a high personal input in day to day matters, this position represents a superb opportunity to build a long term career in a secure yet dynamic environment.

For further details, please contact: Accountancy Personnel, 49 King Street, Manchester M2 7AY Tel: 061 834 9733

YOUR ROLE IN PRACTICE DEVELOPMENT

Exeter

Ernst & Whinney
Chartered Accountants

A Senior Personal Tax Manager is sought by the Exeter Office of Ernst & Whinney to take on a broad, demanding but ultimately very challenging role. As a qualified or Certified Accountant, having trained and qualified with a large or medium sized practice, considerable experience will be expected in Personal Tax consultancy, financial planning, inheritance tax, Lloyds underwriters and domicile/residence changes. The willingness to become involved in practice development in a pre-requisite.

For further details, please contact: Accountancy Personnel, 2 Southernhay West, Exeter EX1 1JG, Tel: 0392 412454

RECENTLY QUALIFIED: A CHALLENGING OPPORTUNITY

CONFIDENTIAL

East Midlands **£18-25,000+Car**

Our client, a leading company of Accountancy Tutors offers a position unique when compared to other accountancy situations. Due to rapid expansion they require a recently qualified Chartered Accountant whose role will encompass:

- ★ the preparation and presentation of courses for junior staff
- ★ writing material for CPE courses for partners and senior staff
- ★ preparing technical material for circulation
- ★ developing new services and expanding existing ones.

Aptitude and desire to teach professional staff is a pre-requisite. The position gives reign to the imaginative treatment of accountancy education and the opportunity to communicate this to a quality audience.

The successful applicant will be one who readily identifies with the fast pace of the company and its aims and objectives. There is every opportunity to enhance earnings and be part of developing success. Relocation assistance offered where necessary.

For further details, please contact: Accountancy Personnel, Sovereign House, Princess Road West, Leicester LE1 6TR Tel: 0533 542693

THE M & G GROUP OPERATIONAL REVIEW

Chelmsford **c £20,000**

The Group is a leader in the provision of financial services for Unit Trusts, Life Assurance Policies and Pension Plans. Funds under management currently total in excess of £5,000 million. The vacancy is for an experienced operational/financial auditor to carry out a wide range of reviews encompassing all functional areas and disciplines.

Candidates, preferably qualified accountants, should have a good understanding of business management and practice which could have been gained in a financial, commercial or life assurance environment. Previous experience of unit trusts, life assurance and pensions would be a distinct advantage.

In addition to a competitive salary, benefits include free medical insurance, subsidised mortgage and an excellent pension scheme. Further benefits become due after appropriate service.

Please write enclosing a full c.v. to:

M&G

J H Wilcock,
Head of Security and Audit,
M & G Limited,
M & G House,
Victoria Road,
Chelmsford, CM1 1FB

INTERNATIONAL THOMSON PUBLISHING LIMITED

CHIEF FINANCIAL OFFICER PUBLISHING

KNIGHTSBRIDGE **SALARY £30,000 + CAR + BENEFITS**

International Thomson Publishing Ltd is a substantial business publishing and information services group with additional interests in consumer publishing and trade exhibitions, operating in the United Kingdom, Europe and Australia. We are part of the International Thomson Organisation Limited, one of the world's leading information and publishing and leisure travel companies with strong interests in oil and gas. International Thomson Publishing, with a turnover presently of around £70 million, is growing quickly. In addition to good levels of growth from existing products, strong emphasis is being placed on acquisitions and new product development.

The role of Chief Financial Officer demands a very special kind of person. It requires a Chartered Accountant who can exercise financial control and direction over sixteen growing business units, as well as working at the most senior level with a very small head office team in spotting and developing new opportunities, internally and through acquisition. In addition strong emphasis is placed on the traditional areas of monthly accounting and reporting, consolidations, taxation, statutory accounting and secretarial duties.

Applicants, preferably in their thirties, must be able to demonstrate that they have the ability to combine the technical, traditional and development aspects of the job. Computer literacy is a must, and a strong business sense advantageous. Personal qualitites must include the desire to work in a challenging and changing environment, with fullest commitment and a willingness to develop and enhance skills at all levels.

The benefits package includes company car, pension, private medical plan and staff discounts.

To apply, please send full career details to:

JOHN G. WOOLFORD
International Thomson Publishing Ltd.,
7th Floor, 5 Prince's Gate, London SW7 1QJ

COST/BUSINESS ANALYST
–International Market Leader

South Yorkshire *Circa £25,000+Car*

This influential new appointment is with a well-established, multi-national group which has significantly diversified its interests in recent years. Based at the UK manufacturing subsidiary, an ambitious young professional will have a unique opportunity to contribute to both group profitability and future growth plans.

With manufacturing facilities and sourcing arrangements in different parts of the world, the group recognises the need to analyse the profitability of these operations in relation to each other and possible future manufacturing plans. The mandate therefore will be far reaching, extending into any areas concerned with the overall factory profitability ie labour, materials, exchange rates, tariffs etc., Based in Yorkshire, the successful candidate will also be involved in budgetary/ad hoc exercises in the UK plants when not involved in matters with international implications.

Applicants, aged late 20s/early 30s, should have a major accountancy qualification together ideally with a business orientated degree. A relevant background in a professional manufacturing organisation is essential as is a confident, practical, down to earth manner.

Full CV to John Parkin, Ref CBA 0/3

Provincial House, Solly St, Sheffield S1 4BA. (0742) 725838

CLARENDON
EXECUTIVE SELECTION

MANAGEMENT ACCOUNTANT - FINANCIAL DIRECTOR DESIGNATE

Salary circa 20,000 to 25,000.

Our client is a progressive company in the graphics supply industry who have expanded rapidly. They now need to strengthen their management team, by recruiting a commercially young qualified accountant to integrate the financial disciplines with the entrepreneural opportunities that now exist.

If you are ambitious and self motivated, with a good knowledge of computerised accounting systems and wish to discuss a generous package of benefits and options please forward full CV to:

Melvyn Segal, Arram Berlyn Gardner & Co.,
Mortimer House, 37-41, Mortimer Street,
London, W1N 7RJ.

Accountant—Business/ Financial Analysis

Major Financial Group—Cheshire

Up to £25,000+Car+Assisted Mortgage+BUPA

Our client is a major financial group offering a wide range of services to the UK market. This successful Company has contributed to its expansion in the 1980's through diversification and acquisition. The recent acquisition of a multi branch estate agency business and the continuing identification and evaluation of new business opportunities has created *an exciting opportunity for an accountant* to join the group.

Reporting directly to the Deputy Chief Executive you will be responsible for monitoring the performance of the new business, and providing detailed information regarding new ventures.

A graduate with a professional accountancy qualification, you will be aged 25+, possibly with a post-graduate business qualification. To succeed you will be commercially aware, diplomatic, capable of original thought and able to work at senior executive and Board level.

Our client offers an attractive package—salary up to £25,000, BUPA, *company car, mortgage assistance, non-contributory pension* scheme and life assurance. The Company is situated in very attractive new offices in Cheshire; relocation assistance will be available if required.

To apply please send full career details, together with current salary, or telephone for an application form to: Tim Smith, *ref: 2068/TS/FT.*

PA

PA Personnel Services

Executive Search · Selection · Personnel Consultancy

4th Floor, Fountain Court, 68 Fountain Street, Manchester M2 2FE
Tel: 061-236 4531

A CHANCE TO PUT YOUR AUDIT SKILLS TO THE TEST!

Two key roles in Financial Audit

COVENT GARDEN **PACKAGE £23,000—£27,000** **BANKING BENEFITS**

The Mercantile Group, with over 5,000 employees and balance-sheet footings of £5 billion, provides assets for business and personal customers through finance, rental and distribution. Well known as the Finance House of the Barclays Bank Group, we are now a unique grouping of autonomous companies determined to build on our success.

Our Board requires the Internal Audit function to play a high-profile role within the Group — more creative and dynamic than traditional audit. To achieve this, we are assembling a group of highly-motivated professionals from a number of disciplines: accountancy, banking, financial services and computing.

We therefore seek two Chartered Accountants — articulate, computer-literate and "on the ball". Your audit skills will be highly prized, as you will be leading audit teams in the field. A knowledge of corporate taxation and leasing arrangements is also important to us.

In return, we offer excellent benefits including non-contributory pension, free health and life assurance, and a subsidised mortgage scheme. But probably more important to you will be a real chance to show your paces — with the opportunity to make rapid progress within either Mercantile or the wider Barclays Group.

Please contact Arthur Tanner, Controller, Personnel, Mercantile Group plc, Elizabethan House, Great Queen Street, London WC2B 5DP. Tel: 01-242 1234 ext 2379.

MERCANTILE GROUP

Director

Finance & Administration

Leisure Industry

c£30,000, car

Rural Northern England

The company, after only eight years, is a market leader with an annual turnover well into eight figures. New ventures are planned overseas and major direct marketing diversifications are underway within the UK.

This growth, spearheaded by the entrepreneurial Chief Executive, has created the need for a new appointment to co-ordinate and control the day to day activities of the business and, additionally, provide the financial management support so essential at this time. Middle management is young and talented, well able to support the rapid expansion of this cash rich private company, yet still requiring a professional and mature leader.

Applicants, 30-45, must be qualified accountants with senior management experience in a service industry, preferably leisure or retailing. They must be skilled administrators accustomed to managing a large number of clerical staff and sophisticated computer based systems. The position must be seen as a career move and one which should provide every opportunity for greater responsibilities and high rewards.

Male or female candidates should send a comprehensive c.v. or telephone for an application form to Howgate Sable & Partners, Barnett House, 53 Fountain Street, Manchester, M2 2AN. Telephone: 061-228 6919 quoting reference: (F.T. 62).

Howgate Sable

EXECUTIVE SEARCH AND SELECTION

GROUP FINANCE DIRECTOR

c. £30,000 + car

The Harrow Finance Group of Companies has enjoyed rapid and profitable growth in the last 4-5 years, and is now looking for a professional commercially-orientated accountant to join its senior management team.

Reporting to the Managing Director, the Finance Director will be responsible for the total finance function, with particular emphasis on developing the strategic planning and financial control framework capable of supporting the group in the delivery of its medium term objectives, one of which is flotation in 3-4 years time.

The successful applicant will be 30-35, a chartered accountant with "big 8" and relevant commercial experience — probably as No. 2 — and prepared to make a significant contribution in a fast moving environment.

Interested candidates should in the first instance send detailed C.V.'s in confidence to:—

HARROW FINANCE

Mr. J. Carter, Chairman and Managing Director, Harrow Finance Group of Companies, Equitable House, Lyon Road, HARROW, Middlesex, HA1 2EW

Financial Planning & Control

c.£26,000 & Banking Benefits

Our client is a major banking and financial services group with wide ranging interests and a highly successful record of growth by organic development and strategic acquisitions.

They now wish to appoint an accountant to the Financial Planning & Control team which operates from the corporate centre in the City and has a very active style and positive attitude to its role within the Group. The team is responsible for major analyses of profitability, risk, pricing, etc; the review and sensitivity analysis of strategic plans, budgets and forecasts; appraisal and control of major capital and revenue projects; and the critical review of current year results.

Applicants must be accountants with experience or exposure to banking either via the profession, a treasury role or employment in another bank. Sound analytical skills and the ability to communicate and present well are essential.

Please reply in confidence quoting Ref L363 to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

GROUP FINANCIAL CONTROLLER

A broader challenge in business development

to £30k+EXECUTIVE COMPANY CAR

Lex Service plc is a successful international organisation operating in two major market sectors – Automotive and Electronic component distribution.

As a result of its recent acquisition of Shaw & Kilburn and Gilbert Rice, Lex Automotive has become the UK's largest automotive retailer with more than sixty outlets representing twelve franchises.

In order to help realise the tremendous business development potential of this already successful Vauxhall and Ford Group, we have created the new role of Group Financial Controller. At the right hand of our Managing Director, this key individual will make a substantial contribution to the development of the business.

The immediate challenge will be to continue the development of financial reporting and control across the Group's eleven dealerships in England and Wales. Other tasks include the management and development of the DP function. Of equal importance however, as a key member of the senior management team, will be your input into the strategic development of the Group.

We require more than an Accountant. Professionally qualified, you will have sound commercial experience and be familiar with operating at senior/board level. You will have a good understanding of computerised accounting and operational systems.

An excellent salary and benefits package highlights the importance of this role and its potential. We offer a salary up to £30,000, executive company car and all the usual benefits of a successful, progressive organisation. Prospects for career development throughout Lex Service plc are exceptional.

Please send your c.v. to: David Morrow, Managing Director, Shaw & Kilburn Ltd., 540-550 Dunstable Road, Luton, Beds LU4 8DW.

Shaw & Kilburn
A NEW EXPERIENCE

Lex
AUTOMOTIVE

GR

BASINGSTOKE - C.17,000
SENIOR FINANCIAL ANALYST

Prospective candidates should have a solid financial grounding with sound presentation skills and analytical capability. International exposure a definate advantage. Duties include financial modelling activities, report preparation, forecastings, pricing and preparation of presentations for U.S.A.

For more details call Pauline Godley at Merit Recruitment on (0256) 471888 or after hours on (0256) 64879

...... profitable growth in manufacturing

Financial Director

Norfolk

£28,000 + Profit Share + Car + Relocation

Our client, an expanding subsidiary of a prestigious acquisitive Plc, is poised for continued growth in a highly profitable manufacturing sector with sales in excess of £20 million.

We are seeking a financial director to join a strong management team, who, working closely with the Managing Director will have a substantial impact on maximising profit potential, through efficient business planning and strong financial control.

The successful candidate will be: a qualified accountant, aged 28-40; who must have a commercial attitude and be a confident, determined character, capable of implementing successful change in a manufacturing environment. A practical, 'shirt sleeves' approach will be essential, along with the ability to combine day-to-day involvement with a longer-term view.

If you are interested in this position and are prepared to commit yourself to the continued success of the company, then send your curriculum vitae and daytime telephone number to **Jon Anderson ACMA, Executive Division, 39-41 Parker Street, London WC2B 5LH, quoting ref. 498.**

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Glasgow & Worldwide

ACCA

The Chartered Association of Certified Accountants

Applications are sought from qualified accountants with the personal qualities and technical knowledge to report to the Technical and Research Committee of this international accounting body.

The successful applicant, who will have worked in public practice, will make a significant contribution to the development of professional standards for accounting throughout the financial world.

Duties will include drafting responses to proposed audit guidelines and to policy documents from government departments, presenting technical papers to members, and servicing working parties of the Association. The academic calibre of the Department is high.

Career progression is enhanced by the public exposure of this prestigious post. Salary guideline: c£25,000, plus generous benefits.
Applications directly to:-

Pembroke & Pembroke
TELEPHONE - 01-236 0011
76 CHEAPSIDE·LONDON EC2V 6EE

who are acting solely on behalf of the Association in recruiting for this vacancy

FINANCE EXECUTIVES

LONDON/BIRMINGHAM
C.£24,000 + CAR

Two exceptional opportunities have arisen within this rapidly expanding international group for high calibre qualified accountants with strong commercial and management ability.

Based at operating companies in the London and Birmingham areas and reporting to the local Managing Directors, they will be responsible for the whole of the finance and accounting functions.

Future prospects within the group are excellent and board appointments can be attained in a short period.

Ideal candidates will be Chartered Accountants aged 27-35 with several years industrial experience.

Please write with full career, personal and salary details to: *G. Moores, Finance Director*
The Chillington Corporation PLC
81 Carter Lane, London EC4V 5EP

THE CHILLINGTON CORPORATION PLC

A variety of talents, a single aim.

FINANCIAL MANAGER

£23,000 + Car + benefits

In what is the country's fastest-growing retail sector, Texas Homecare is continuing to expand on its base of 155 superstores across the UK.

A cornerstone of that success is the way in which – in each region – a multi-disciplined group of professionals together plan and control the progress of the surrounding stores.

Due to internal promotion, we are now looking to appoint a Finance Manager to join our dedicated team for London region, based in West Thurrock.

Take on this role and you will – through your interpretation of financial data – play a vital role in deciding how our thirty-five stores there can operate with maximum efficiency.

With the emphasis very much on controlling and forecasting, you will be in constant liaison with our Regional Controller, and with our Financial Controller who is based at the corporate Headquarters in Wellingborough.

Whether in your mid-20's or mid-30's, you'll have a highly developed commercial flair, and communication skills to match. Since gaining your ACA or ACMA qualification, you will have built up an impressive record of achievement – ideally in the retail sector.

In return, you can expect a generous salary, a company car, and a benefits package that includes family private medical insurance, a share option, and excellent discount covering a wide range of holidays and leisure goods. As part of the Ladbroke Group we can also offer excellent career prospects.

In the first instance, please send your full career details to: David Chesser, Financial Operations Controller, Texas Homecare Limited, Home Charm House, Park Farm, Wellingborough, Northants NN8 3XA.

Alternatively telephone the Personnel Department for an application form on (0933) 679679 Ext. 3100.

TEXAS HOMECARE
Managing Success

Texas Homecare is an equal opportunities employer

ACCOUNTANCY APPOINTMENTS

APPEAR EVERY THURSDAY

FOR FURTHER DETAILS PLEASE

CONTACT
248 8000

TESSA TAYLOR
EXT 3351

DEIRDRE VENABLES
EXT 4177

PAUL MARAVIGLIA
EXT 4676

ELIZABETH ROWAN
EXT 3456

PATRICK WILLIAMS
EXT 3694

GENERAL APPOINTMENTS
APPEAR ON
WEDNESDAY

Finance Director

OTE £30,000 • South Bucks

A leading Marketing Services Company, West of London seeks a young, dynamic Finance Director.

The Company has achieved rapid growth in each of the past three years and is targeted to expand just as rapidly by both organic and acquisitive means. The clear objective is to build a major marketing services group within a fast growing business sector and to float in the near future.

With this objective in mind the need is for a versatile and aggressive Finance Director who will not only initiate and install state-of-the-art controls and information systems, but who will be fully involved in making key commercial decisions. The post will be demanding and fulfilling in an exciting environment, and the rewards for success will be high with appropriate benefits including car, private medical, life assurance, etc.

Candidates will be aged around 30, preferably graduates and professionally qualified. They must be computer literate and have at least 3 years' experience in a commercial environment.

Applicants should write giving full details of age, education, experience and salary to: Maurice I. Phillips, Sampson Phillips International Ltd, The Old Creamery, Lovel Road, Winkfield, Windsor, Berks SL4 2ES.

Sampson Phillips International

NMB BANK

Financial Accountant

NMB Bank, London Branch, is a full international branch of NMB Bank, a leading Dutch Bank.

We are seeking a Financial Accountant who will assume responsibility for financial and management reporting, budgetary control, taxation affairs and undertaking special projects for the Controller. The successful candidate will have an excellent opportunity to obtain experience in all aspects of an international banking operation.

You should be a recently qualified accountant and aged between 22-30 with experience of working in a banking/financial services operation, either obtained directly, or indirectly in an auditing capacity.

In return, we can offer you a highly competitive salary plus some excellent fringe benefits. Please send your CV to Mrs. Janice Wilson, Personnel Officer, NMB Bank, 2 Copthall Avenue, London, EC2R 7BD.

Management Accountant

City £20-22k negotiable

An established, profitable private retail company located in central London seeks a management accountant to take complete control of all accounting and day to day administrative matters, in a "hands on" manner that would suit a small company.

The successful applicant will be expected to prepare monthly accounts, cash flows, budgets etc. Familiarity with computerised systems would be an advantage.

This is a new key appointment reporting directly to the Managing Director, which in a rapidly expanding business will provide many opportunities for advancement.

C.V. to retained adviser: Hadrian Consultants Ltd., York House, Hadrian Way, Southampton SO1 7HX

International Appointments

Leading French bank
is looking for two top executives
for its rapidly growing Tokyo team

a Corporate Finance Manager
in charge of large Japanese borrowers
(preferably Japanese national)

a Swap Dealer
to manage the Yen Swap Book

Salary and benefits will be in line with candidates' qualifications and the importance attached to the positions.

Reply Box A0876
Financial Times, 10 Cannon Street, London EC4P 4BY.

Company Notices

WORLD WIDE GROWTH FUND
Notice to Shareholders

The Board of Directors of World Wide Growth Management Company S.A., in their meeting held on 30th March 1988, have considered with the Depositary that, because of the contracted size of the Fund and because the fixed recurring expenses have become increasingly important in comparison to the current income, it is in the best interests of the shareholders and the managers alike to terminate the operations of the Fund and proceed with its liquidation.

In accordance with Article 19 of the Management Regulations, issues and redemptions of shares and the calculation of the net asset value has been suspended as from this date.

It is expected to reimburse to the remaining shareholders the corresponding net asset value per share on 30th June 1988, but no assurance can be given that this date will be respected.

Shares should be presented to the paying agent, Banque Paribas (Luxembourg) S.A. At the close of liquidation any outstanding amounts will be deposited with the Caisse des Consignations in Luxembourg on behalf of the beneficiaries.

All accounting records and legal documents relating to the Fund will remain at the registered office of the Fund, 10A Boulevard Royal, Luxembourg.

31st March 1988

On behalf of the Board
J.P Pierson
General Manager

CANADIAN PACIFIC LIMITED
(Incorporated in Canada)
TORONTO GREY AND BRUCE RAILWAY COMPANY

Copies of the Balance Sheet of the above company as at December 31 1987 are available and may be obtained from this office during normal business hours.

D.R. KEAST
Deputy Secretary
Southside, 105 Victoria Street,
London SW1E 6QT

March 28 1988

Public Notices

NOTICE OF APPOINTMENT OF LIQUIDATOR

PURSUANT TO SECTION 109 INSOLVENCY ACT 1986

Name of company: L.R.T. Bus Engineering Limited
Registered number: 1900808

Liquidators name and address:
S.S. James, Peat, Marwick, McLintock,
1 Puddle Dock, Blackfriars,
London EC4V 3PD

Date of appointment: 28th March 1988
By whom appointed: Members

Contracts & Tenders

OYO NORTH AGRICULTURAL DEVELOPMENT PROJECT
INTERNATIONAL TENDER INVITATION FOR BIDS (IFB)
VEHICLES AND MISCELLANEOUS EQUIPMENT
LOAN NUMBER 1838-UNI

THE FEDERAL GOVERNMENT OF THE REPUBLIC OF NIGERIA has received a loan from the International Bank of for Reconstruction and Development (The World Bank) in various currencies towards the cost of Oyo North Agricultural Development Project (ONADEP) in Oyo state of Nigeria. It is intended that part of this loan will be applied to eligible payments under the contract for the purchase of Vehicles and Miscellaneous Equipment ICB 8 required for the operation of the Project, for which this invitation to bid is issued.

ONADEP now invites sealed bids from eligible bidders for the supply of Agricultural Machinery and Equipment - buses, trucks, vehicles, Motorcycles - Generators and spraying Equipment as specified in the Bid Documents at the offices of:

(a) Oyo North Agricultural Development Project Headquarters
Aha Road
Shaki - PO Box 278
Oyo State of Nigeria

(b) ONADEP Liaison and Communication Office
Qtr. 804 Agodi Reservation
Secretariat Road, off Total Garden
Ibadan - PO Box 7300
Oyo State of Nigeria
TELEX: 31208 ONADEP NG

(c) Nimrod International Limited
124 Mount Street
Berkeley Square
London W1Y 5HA - UK
Telephone: 01 629 5301/2/3
Telex: 25334 NIMROD G

A complete set of tender Documents may be purchased on submission of a personal or written application from any of the above addresses on payment of Nigerian Naira 455 when purchased within Nigeria or for pounds Sterling £ 60 or US Dollars $106 outside Nigeria.

All bids require Bid Security Documents to the value of not less than 2 per cent of the total bid in the format defined in the Bidding Documents and valid for not less than 120 days from date of Bidding opening.

Sealed Bids, complete with all attachments and documentation, must be submitted to the Oyo State Tenders Board as stated in the Bid Document not later the 10.00 am on Thursday 12th May 1988.

Tender opening takes place immediately after the close of submission on the same day at the State Tenders Board in the office of the Military Governer, Oyo State, Nigeria in the presence of Bidders' representatives who choose to attend.

Legal Notices

INDICA CONSTRUCTION LIMITED - IN RECEIVERSHIP

Registered Number: 1537174
Nature of business: Shopfitting
Trade classification: 23

Date of appointment of administrative receivers: 22 March 1988
Name of person appointing the administrative receivers: Barclays Bank Plc.

Christopher John Barlow and
Robert William Birchall
Joint Administrative Receivers

Cork Gully
65 Queen Square
Bristol
BS1 4JP

INDICA JOINERY LIMITED - IN RECEIVERSHIP

Registered Number: 1740909
Nature of business: Manufacturing
Trade classification: 09

Date of appointment of administrative receivers: 22 March 1988.
Name of person appointing the administrative receivers: Barclays Bank Plc

Christopher John Barlow and
Robert William Birchall
Joint Administrative Receivers

Cork Gully
65 Queen Square
Bristol
BS1 4JP

INDICA PROJECTS LIMITED - IN RECEIVERSHIP

Registered Number: 1621482
Nature of business:
Property Management Company
Trade classification: 37

Date of appointment of administrative receivers: 22 March 1988
Name of person appointing the administrative receivers: Barclays Bank Plc
Christopher John Barlow and
Robert William Birchall
Joint Administrative Receivers

Cork Gully
65 Queen Square
Bristol
BS1 4JP

METALIX LIMITED - IN RECEIVERSHIP

Registered Number: 1833178
Nature of business: Manufacturing
Trade classification: 11

Date of appointment of administrative receivers: 22 March 1988
Name of person appointing the administrative receivers: Barclays Bank Plc.

Christopher John Barlow and
Robert William Birchall
Joint Administrative Receivers

Cork Gully
65 Queen Square
Bristol
BS1 4JP

INDICA DESIGN & MARKETING LIMITED - IN RECEIVERSHIP

Registered Number: 1734285
Nature of business: Shopfitting, design & marketing
Trade classification: 23

Date of appointment of administrative receivers: 22 March 1988
Name of person appointing the administrative receivers: Barclays Bank Plc.

Christopher John Barlow and
Robert William Birchall
Joint Administrative Receivers

Cork Gully
65 Queen Square
Bristol
BS1 4JP

Art Galleries

RICHARD GREEN,
4 New Bond Street, W1 493 3939 XIX & XX Century European Paintings
Mon-Fri 10-6, Sats 10-12.30

Company Notices

NOTICE TO HOLDERS OF EUROPEAN DEPOSITORY RECEIPTS (EDRs) IN MARUBENI CORPORATION

NOTICE IS HEREBY GIVEN that subject to shareholders approval a cash dividend will be paid to shareholders of record date March 31,1988 and, pending payment, the shareholders' register will be closed for the period April 1-30,1988 and during this period it will not be possible to register the transfer of shares against the surrender of EDRs. NOTICE IS ALSO GIVEN that a free distribution of shares to be made to shareholders of record date March 31,1988 in the ration of 0.05 share for each common share of Y50 each (5 new for each 100 old).

Furthermore, it has been declared that the shares will be traded ex-dividend and ex-bonus on the Japanese Stock Exchanges with effect from March 28,1988. Coupon No. 14 attached to the EDRs will be used for the collection of divided and the Coupon No. 15 will be used for the collection of the free shares.

Subject to approval of the divided, a further notice will be published, after receipt of the dividend by the Depositary, stating the amount of the dividend and the date of the distribution of the free shares.

CITIBANK, N.A., London.
31st March 1988. Depositary.

GLOBAL ALPHA STRATEGY FUND SICAV
comprising
PACIFIC ALPHA FUND
US/EUROPE ALPHA FUND
Registered in Luxembourg RC B 21433
DIVIDEND NOTICE

At the Annual Shareholders' Meeting of the Company held at the registered office, 16, Boulevard Royal, Luxembourg, on the 21st of March, 1988, it was decided that the dividend will be

Pacific Alpha Fund - US $ 0.08 Gross
US/Europe Alpha Fund - US $ 0.08 Gross

payable on and after the 30th of March, 1988 to shareholders of record on the 21st of March, 1988 and to holders of bearer shares upon production of coupon No 1.

By Order of the Board
22/03/88

BHP
JUNE 1988 HALF YEARLY DIVIDEND

The Directors of The Broken Hill Proprietary Company Limited are pleased to announce that a fully franked half year dividend at the rate of 17 cents per $1.00 share has been declared (previous corresponding dividend 20 cents per share declared; equivalent to 16.7 cents per share after adjustment for the May 1987 bonus issue).

The dividend, which in previous years has been paid during the last week in May, will be paid on 8 June. The delay in payment will ensure that shareholders receive a fully franked dividend. It is likely that the half yearly dividend will continue to be paid in June rather than in May.

The dividend, together with the dividend paid in November 1987, will involve a total payment from profits for the May 1988 year of $503 million, an increase of $27 million or 6% on the previous year's payout. The dividend now declared is payable on the 300 million shares which BHP is holding pending the proposed cancellation, but this dividend will, of course, flow back to the parent BHP via dividends from the subsidiary holding the shares.

The dividend will be paid to registered holders following the registration of transfers received by the Company, together with allotments made by it under the Employee Share Plan, up to 5.00pm on Friday 29 April 1988, the book's closing date.

For shareholders who no later than 29 April 1988 have elected that some or all of the shares held by them shall participate in the Company's Dividend Investment Plan, the dividend shall be satisfied in respect of those shares by the allotment of paid-up shares in accordance with the Plan. For US shareholders with US addresses, the date for election is 24 March 1988.

American Depositary Receipts (ADRs) each represent four ordinary $1.00 shares and receive dividends accordingly. The record date for ADRs is 28 April 1988. Holders of ADRs are not, at present, eligible for participation in the Dividend Investment Plan. Transfers will be accepted for registration until 5.00pm on 29 April 1988 at the Company's share registers at the following addresses:

AUSTRALIA –
Melbourne: 140 William Street
Sydney: 20 O'Connell Street
Canberra: Arthur Young
54 Marcus Clarke Street
Adelaide: 41-47 Currie Street
Brisbane: 152 Wharf Street
Perth: 221 St. George's Terrace
Hobart: Perpetual Trustees and National Executors of Tasmania Limited, 29 Murray Street

UK –
Bristol: Registrar's Department
National Westminster Bank PLC
Caxton House, Redcliffe Way

USA (ADRs only) –
New York: Morgan Guaranty Trust Co. of New York, 30 West Broadway.

SECRETARY
THE BROKEN HILL PROPRIETARY COMPANY LIMITED

Swindon

The Financial Times proposes to publish this survey on:

4 May

For a full editorial synopsis and advertisement details, please contact:

Clive Radford
on Bristol (0272) 292565
Fax (0272) 225974

or write to him at:

Merchants House
Wapping Road
Bristol
BS1 4RW

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Clubs

Eve
has outlived the others because of a policy on fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floor shows.
189, Regent St, W1. 01 734 0657

Personal

Methuselah

Yes I still love you best.

Have a happy birthday.
AMF

TROUT FISHING
A few select members invited to private lake on family estate 20 miles South London.
Suit Sen. Exec. 0737 243663.

Gestetner Holdings PLC

At the Company's Annual General Meeting on 25th March 1988 a final cash dividend of 2p per share, in respect of the 52 weeks ended 31st October 1987, was approved for payment on 5th April 1988 to holders of Ordinary shares registered at the close of business on 12th February 1988.

Holders of Ordinary shares in bearer form should lodge Coupon 125 at Barclays Bank PLC, Securities Services Department, 54 Lombard Street, London EC3P 3AH on or after 5th April 1988 for their entitlement to the above dividend.

Holders of Ordinary Capital shares are reminded that, whilst they have no entitlement to a cash dividend at this time, they are entitled to scrip in lieu of the final dividend for the 52 weeks ended 31st October 1987. Such entitlement, based upon each Ordinary Capital share registered at close of business on 12th February 1988, is as follows:–

based on the average price of	184.588235p
for each Ordinary Capital share held, holders will receive	0.0128386 of an Ordinary Capital share

Fractions of new shares will be sold for the benefit of the Company. Scrip, allotted on 28th March 1988, will be despatched to registered shareholders on 8th April 1988.

Holders of Ordinary Capital shares in bearer form should lodge Coupon 125, with allotment instructions, at Barclays Bank PLC, Securities Services Department, 54 Lombard Street, London EC3P 3AH on or after 8th April 1988 for their entitlement to dividend and Ordinary Capital shares (in registered form) in accordance with the above.

210 Euston Road
London NW1 2DA
28th March 1988

R.L.E. Lewis
Company Secretary

U.S. $500,000,000
The Republic of Italy
Floating Rate Notes due 2005

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from March 31, 1988, to April 29, 1988, the Notes will carry an interest rate of $6\frac{7}{8}$% per annum. The interest payable on the relevant interest payment date, April 29, 1988, will be U.S. $55.38 per U.S. $10,000 nominal amount in Bearer (Coupon No. 32) or Registered form and U.S. $1,384.55 per U.S. $250,000 denomination in Bearer form (Coupon No. 32).

By: The Chase Manhattan Bank, N.A.
London, Agent Bank

March 31, 1988

CHASE

U.S. $100,000,000
National Bank of Detroit
Floating Rate Subordinated Capital Notes due 1996

Notice is hereby given that in respect of the Interest Period from March 31, 1988 to June 30, 1988 the Notes will carry an Interest Rate of $7\frac{1}{16}$% per annum. The coupon amount payable on June 30, 1988 will be U.S. $178.52 per U.S. $10.000 Note.

By: The Chase Manhattan Bank, N.A.
London, Agent Bank

March 31, 1988

To the Holders of
GMAC
7⅞% Asset Backed Certificates, Series 1986 Euro-A

On March 15, 1988 holders of coupons from the Asset Backed Certificates will be entitled to a distribution, based on the certification of General Motors Acceptance Corporation. The distribution for each original US$10,000 p.a. of Certificates is US$253.43, as follows:

(a) Distribution representing principal... US$216.15
(b) Distribution representing interest... US$37.28

The certification also states the following as of February 29, 1988:

(1) Fees and compensation received by GMAC as Servicer and Guarantor... US$367,743.92
(2) Pool Balance... US$164,534,644.71
(3) Pool Factor... .5954193
(4) Guaranty Amount... US$8,226,732.24

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Trustee

Victoria and Albert Museum/David Piper

The nostalgic visions of a man with a mission

The mid-nineteenth century was somewhat thronged with genre painters of whimsical anecdote, and with landscapists treading pedestrianly clear of the more dangerous achievements of Turner and of Constable, or warily skirting the brilliantly polychrome revelations of the Pre-Raphaelites. In the now continuing re-appraisal of the period, Richard Redgrave (1804-88) has emerged as a considerable figure.

The centenary of his death is commemorated in a quietly satisfying exhibition at the Victoria and Albert Museum (till 22 May; moving to the Yale Center for British Art, New Haven, 14 June-7 August). It was some of his genre paintings that first rekindled modern attention, especially featuring the poor, the deprived and the oppressed, and the vulnerability of solitary women. These look forward to the better known social-realist work of Fildes, Holl or Herkomer, though their imagery is generally tougher and less overtly sentimental.

Redgrave tends undeniably to the genteel: middle-class folk fallen on straitened times, but gallantly preserving a clean, tidy apparel and person, rather than suggesting a working class brutalised by poverty and toil. However, Redgrave found an appreciative audience in the 'forties and 'fifties. One of the best known, "The Poor Teacher," was engraved, and four or five variations were painted by the artist, the last retitled "The Governess." She sits, alone, in meek black, while her employers' children disport merrily on the sunlit lawn outside.

Another, "The Sempstress" (1846) obviously inspired by Tom Hood's famous "Song of the Shirt" published three years earlier, was a great popular success, but lambasted, characteristically, by Thackeray; he observed that *in it Redgrave had illustrated* everything (the sickly woman in her mean attic, her medicines, her broken crockery, her clock at half past two am while still she toils), but lost entirely "the humour, the manliness and the bitterness" of the poem, conveying only its "tender, good-natured part."

Redgrave's landscapes, which he painted right through his career, have not yet attracted so much attention, though what for me is his masterpiece blends social genre and story into a landscape of sunlit Surrey hillside of the most lyrical elegiac quality. The subject is "The Emigrant's last Sight of Home" (1858). In the foreground, the emigrant carpenter stands taking his last look at his home valley. He waves, in a seemingly confident salute, and the villagers dispersed outside their homes far below, wave back; his pensive wife, and the cluster of his children, look uncertain, sorrowfully apprehensive, and the mood is ambiguous.

The theme, as in Ford Madox Brown's famous "Last of England" reflected an acute national awareness of the period, when one in six of the population were setting out westwards into the unknown. The picture is, though, heroic rather than either pathetic or sentimental, and this is due in some part to the skilful disposition of the figures: the sense of departure of an ache, a gulf of separation opening up between the group in the foreground and the tiny, diminishing figures of the villagers left behind in the valley below, is in fact far more tautly vivid than in Madox Brown's dour image of the couple looking back from the stern of their outward bound ship. The success of this picture is also that in it he has, as not always in his landscapes, married minutely accurately notation of detail into the larger rhythm of the composition as a whole, into a sweep of landscape so idyllicly radiant as to suggest almost that the migrating family are abandoning the Garden of Eden.

Redgrave found great relaxation in the countryside of his beloved Surrey, respite from the pressures of work in London. He *chose to see it as pure pastoral*, peopled with contented rustics, in an untroubled world and weather of sunlight filtering through to the floor of leafy woods. The view may seem so ordinary, so commonplace as to verge on the banal, but then you note the dedicated accuracy of the drawing of its parts that can precede and rival that of the Pre-Raphaelites. In front of, for example, his watercolour recording of "Parkhurst Woods," with the lounging shepherd boy clearly no less content than his somnolent sheep, it would be positively unmannerly to carry on about the oppression of the agricultural work-force in Victorian England.

This visitor took a deal of pleasure in contemplation of these bucolic if nostalgic excursions, even when Redgrave, in a fit of conscience, introduces a couple of tiny tots amongst the bracken and the trees and suggests you remember the Babes in the Wood. Further, the many drawings are very impressive, not only demonstrating Redgrave's masterly academic professionalism and his working methods, but also his ability to charm (these mostly belong to the Museum, but normally of course slumber in its Print Room).

A great deal of Redgrave's achievement is not adequately demonstrable in the context of an exhibition such as this. He was a polymath. He remained ever a professional painter and devoted Royal Academician, but was also teacher, art administrator and Civil Servant, technical designer, curator, scholar, writer. As a boy he learned some basics of draughtsmanship in his father's industrial design office, pursuing more academic art tuition in night school. Until he was about forty his livelihood, like that of so many artists, depended much on teaching private pupils, but he was exhibiting regularly and became an ARA in 1839.

He then became very actively involved in the principles and practice of art education; and the *setting up of some 100 art schools* all over England – and deeply concerned in raising the standards of design skills in British industry: his own most spectacular contribution to (a sort of) industrial design was that, in 1851, for the triumphal chariot for Wellington's funeral, weight eighteen tons. He was closely involved with the dynamic Sir Henry Cole in the affairs of the Great 1851 Exhibition; he became the first Keeper of Art in what was to be the Victoria and Albert Museum, and later his responsibilities were increased when he took on the Surveyorship of the Queen's Pictures, and introduced principles of conservation, display and recording to the Royal Collections.

All these aspects and others are covered but inevitably only glimpsed in the harvest of his paintings and drawings in the exhibition; they are discussed in some detail in the book, "Richard Redgrave" edited by Susan Casteras and Ronald Parkinson (Yale University Press, £17.50) which includes a series of authoritative essays by divers hands as well as a catalogue of the exhibition.

The various accounts are in no way hagiographical, but speak loyally and frankly of his shortcomings though the general one usually seems to be an undue modesty. His industry was phenomenal, guided by an ability of equal calibre. He was – as one must always say, in addition to everything else – a most admirable Public Servant: Servant Promoter of the Public Good. And he had a vision, in which the best of art travelled around a galaxy of museums and galleries countrywide through England: a vision of delight and education, and vice versa, for all comers.

The authors of this book, some of them like him curators in the Victoria and Albert, and including the retiring Surveyor of the Queen's Pictures, Sir Oliver Millar, *seem all to write of him* almost as if he were alive, with respect, admiration, but also – perhaps less expected – affection. His vision was surely utopian, but the visionary was also very much a pragmatist, and his vision is still worth investigating, in terms of our own needs and shortcomings, today.

"Parkhurst Woods" by Richard Redgrave

Alkan centenary/Wigmore Hall

David Murray

A large and lustily appreciative audience gathered on Tuesday to hear Charles-Valentin Alkan Morhange honoured on the hundredth anniversary of his death. And honoured he was: his doughtiest exponent, the pianist Ronald Smith, joined James Clark and Moray Welsh in the principal chamber works, and we learned that far from being a pianist-composer's marginal exercises they stand very high amid Alkan's remarkable output. Their piano parts are of course terrific, which is why without Smith's unique offices they cannot become familiar concert pieces – and why he and his partners must be haled into a recording studio without delay.

Nevertheless, Alkan's piano here doesn't (quite) domineer. Breathing-space is left for the strings, and a share of the limelight (and of the spectacular hurdles); and in deference to their special qualities his thematic material is unusually mellifluent. When he produced the Grand Duo (with violin) and the Piano Trio, in his late 20s, Alkan was still less a Romantic than a post-Classical composer in the line of Weber, Mendelssohn and Spohr, without his later penchant for an obsessive proliferation of notes. The brilliant effects don't become massive engineering feats. The *Sonate de Concert* (with cello) came much later, and displays the cogent authority of his best and most mature piano pieces.

Not only were all three performances genuinely exciting – Clark and Welsh dazzled as much in the madly driven finales of the duo-sonatas as Smith did at his incessantly virtuoso piano – but they went far to justify the boldest claim in Wilfrid Mellers' high-flying programme-notes: that Alkan's "developments through opposition" are seriously Beethovenian, large-scale musical arguments. I should qualify that only by noting that Alkan's warmer tunes tend less to deep expression than to period-fashionable winsomeness like Spohr's; if the Adagio of the cello sonata is a "sublimely strange meditation," it also shares the contours of Louis Gottschalk's greatest parlour-hit, "The Dying Poet."

Alkan's peculiar gift for the saturnine wasn't answered by anything much like Beethoven's humane breadth, nor Berlioz's precisely original sentiment. Sulphur and brimstone were his (and every Romantic virtuoso's) natural elements, and when he designed a richer canvas kindly feeling was liable to seem more calculatedly theatrical than his representations *con amore* of implacable forces, dismay and ruin. The natural Alkan finale is a dance-of-death. But it is possible to prefer Poe to Dickens; and in any case these chamber works are richer in musical drama than any mere series of *frissons*, as we discovered. Not many celebrations offer such revelatory rewards.

The Teddy Bears' Picnic/Chester

B.A. Young

Some of the actions of the top Russian politicians were seen immediately to be bizarre – not only of Stalin himself but of his minions and his successors. So bizarre, indeed, as to be positively comic, though they may not have seemed comic to their victims. David Pinner, author of this play at the Gateway Theatre, maintains that everything in it is fundamentally true, both the bizarre public actions and the bizarre behaviour of the members of the Politburo in their Sunday afternoons at Stalin's dacha.

He shows us Nikolai Yezhov, Chief of State Security, deciding on a mass purge over lunch, Marshal Zhukov sacked for expressing some policy disagreement in the course of an afternoon conversation. More eccentric, he shows Stalin throwing a football to his Politburo members and ordering them to go into the garden and get some exercise, or ordering a "musical trial," where Kruschev and Malenkov must dance a compulsory gopak on the dining-table.

It is easy to conclude that people with such curious standards of private behaviour might well have applied the same standards to their public decisions, and simply have thought that the execution or imprisonment of many thousands of their subjects was the only way to get their problems out of the way. Power begets irresponsibility, and not only among Russians. Make a dramatic scene of Churchill's decision to leave government and command an infantry battalion in the first world war, or John Stonehouse's mock-disappearance when sitting as a Labour MP, and it could appear truly grotesque.

The first half of this play, with one scene in 1938, the year of the Great Terror, and one in 1943, when Stalin has just returned from the summit meeting in Tehran, is clearly written for as many laughs as the author can get from his raw material. I am told that on one evening a lady in the audience came out for the interval shaking with indignation and declined to see the second act, and her reaction is understandable. These terrible cruelties are not for amusement.

Yet surely we are entitled to laugh at the bizarre wherever we find it. Reduced to dramatic terms, there is only a matter of extent between Yezhov's Great Terror and the mockery of imprisoned Malvolio in *Twelfth Night*. In such cases we must find fun in the way a problem is solved by a casual decision that causes suffering to others.

None of Mr Pinner's characters is deliberately played for laughs. Philip Madoc (whose last political essay was as Lloyd George) is practical, not cruel. Of the others, only Bill Homewood's Beria, shrilly ambitious, appears in any but everyday colours; Kruschev, Molotov, Malenkov, Kaganovich, Brezhnev are obediently quiet, except sometimes when they are obediently drunk.

Stalin's hunchbacked secretary Poskrebychev, with his jokes about executions, is brightly played by Colin Kaye, and there is a sad performance by Anne Leroux as Svetlana, constantly upbraided for the shortness of her skirts. The director, Philip Partridge, has wisely let the inbuilt idiocies speak for themselves. He must remind Joanna Bacon, as the housekeeper, that Russians cross themselves from right to left.

The action is all set in Stalin's dacha, designed by Juliet Watkinson; here, after a clear demonstration of failing control, and awareness of the failure, he falls into a coma at the dining-table and is taken away to die offstage. We do not follow events any further, not even as far as his doctors' arrest. The lead comedian has come to the end of his contract.

Muti/Festival Hall

Max Loppert

Riccardo Muti, sadly absent from London in recent times, made a welcome return on Tuesday to conduct the London Philharmonic Orchestra and Choir in a programme of Cherubini and Beethoven. This was, I believe, his first-ever appearance with the LPO; it is typical of this conductor's best side that such a first encounter should not have been allowed to provide an excuse for an easy, showy, success-seeking programme. Cherubini's *Messe solennelle* in G and the Beethoven C major Piano Concerto suggest that it was intended to be a noble, serious occasion – and this indeed it proved to be. It was also an occasion for the display of the LPO's very best qualities and those of its renascent choir (if the placing of the singers on the same level as and behind the orchestra accounted for the added richness of the sound, then it is an experiment that should be repeated).

Cherubini's Solemn Mass in G (1819) was written for the coronation of Louis XVIII – an event that did not take place, which meant that the work was not performed (it was idiotic of the LPO programme to give the work's title in *Italian*). To a *passionate* admirer of this composer in all his forms and moods, it came as something of a disappointment. The severely chiselled purity of the facade is never less than impressive; Cherubini's contrapuntal skills and his ability to vary the restrained colours available from modest forces were always equal to grand occasions of state. But the intensity of expression that, in such Cherubini choral works as the two *Requiem Masses*) can seem to light a fire behind that facade was largely missing. Not wholly missing: the gentle yet uneasy alternations of G major and minor in the Kyrie and the inspired simplicity of the Credo's final pages, ablaze with short melodic phrases powerfully exchanged, were two passages in which one sensed a temporary increase of temperature.

On the whole, though, the juxtaposition of Cherubini with Beethoven (who revered his Florentine senior as the leading composer of the age) was rather more revealing than one would have liked. In the concerto the soloist (exquisitely accompanied by conductor and orchestra) was Krystian Zimerman, playing with a purity of tone, a delicacy of line, and an avoidance of surface effect that in this context one might be *tempted* to deem Cherubini-like. For my taste it was a touch reverential and straight-faced: the fun of the finale was missing.

Exit Entrance/Donmar Warehouse

Martin Hoyle

Aidan Mathews is best known in London for *The Diamond Body*, a haunting monologue about an androgyne on a Greek island. The play was done in Shepherd's Bush a couple of years ago; and now the Donmar in Covent Garden plays host to a double-bill, or possibly two interlocking acts from one play, by the same author following a successful run at Dublin's Peacock, the Abbey Theatre's studio space.

These one-acters illustrate both strengths and weaknesses. Mathews' writing excels at evoking a mood of elegiac wistfulness, here beautifully served by Ben Barnes' direction. This is countered by a consciously literary approach and, in the second of the plays at least, a distressing tendency to whimsy.

The first piece, *Exit*, shows us an elderly couple, Helen and Charles. The dialogue is elliptical, allusive (and elusive), certain words recurring much as themes are worked out in music, a cross between early Pinter and Beckett. He refuses to answer the phone though she pleads that it might be their estranged son, Philip.

In brief scenes between blackouts we get snatches of the relationship. He is an academic classicist, she had a breakdown – they quickly correct the word to "tiredness." They separately recall the past, both idyllic love and the fear of ghastly disease. An offstage hammering betokens the young pair just moving in next door. The old couple prepares to drink, "like Greeks, like Romans," and we realise that this is a death pact.

The play is admirably served by Denys Hawthorne and an actress less known this side of the Irish Sea, Joan O'Hara, serene, wistful, radiant and infinitely touching. Tim Reed's design gives us a naturalistic drawing-room lapped on one side by white casts of the husband's beloved antiquity and piles of books, even a miniature piano, that are similarly whitened into statuesque monuments to a life whose course is run.

In *Entrance* the stage is bare but for tea-chests, piles of real books and the clutter of moving in. Here are the new arrivals; or is it the old couple in younger days? They too are called Helen and Charles. He also is a classicist. They discuss names for a possible child: "Philip is nice."

With starry-eyed young love we leave Beckett and Pinter and venture into J.M. Barrie territory. "You have to talk to a new space," she avers solemnly of the room that has allegedly been waiting and weeping. "When it listens you must listen back." One's alarm is intensified by the koala-bear glove-puppets, Dimwit and Frolic, who accost each other with lines like "I is well – is you happy?" and by the banal observations their human manipulators come out with in reflective mood.

Yet the final tableau remains the memory: the two on an eiderdown in the middle of the floor surrounded by the glow of church candles about to continue the repetitive round of existence as the old people lie dead next door. Ingrid Craigie is a sharply intelligent Helen; Malcolm Douglas looks more like a potential business whizz-kid than an impassioned Hellenist.

Alastair Muir

Malcolm Douglas and Ingrid Craigie

Saleroom/Antony Thorncroft

Record for Feininger

Tuesday night was Sotheby's turn to sell top quality Impressionist and modern paintings to an expectant market. No one is pretending that this was one of Sotheby's best auctions in this sector. Indeed it did not compare with arch rival Christie's pictures of Monday night. Even so the auction did moderately well, bringing in £10,429,100, with 22.2 per cent unsold.

The top price was the £1,265,000 paid for a late Picasso "Femme au chien," which perhaps depicts a woman holding an abstract dog. It was near the bottom of its estimate: late Picasso is slowly becoming fashionable, and this was painted post-1945. It was bought by a private European collector who also forked out £990,000, at the top of the estimate, for a very different picture, of a dancer by Degas, painted around 1878.

Sotheby's managed the record auction price it wanted for a work by Lyonel Feininger. He was a German "fauve" artist, active in the early 20th century, and his painting "Les velocipedistes," a posterish evocation of cycling, was one of fifty four early works he left behind with a friend in Germany when he was forced to leave for the US in 1937. For many years the East German Government refused to release the paintings and they were only transported to New York in 1984. The price was above the top estimate. More works by Feininger can now be expected to appear on the market. This one was bought by the Fuji Gallery of Tokio.

The Gallerie Isy Brachot paid £572,000 for "L'entrée en piste," by Chagall, depicting circus performers, while a European dealer bought a pretty Renoir of a girl admiring herself in a mirror for £550,000. El Zenny, the London based agent, paid £418,000 for "Venus," an erotic nude by van Dongen, and £407,000 for "La femme en rose," a portrait by Matisse.

The sale did better than the bare statistics suggest because a small Braques abstract, "Verre," which was unsold in the auction, was disposed of privately later, presumably for around its £300,000 low estimate.

Yesterday Sotheby's sold second and division Impressionists. Once again the auction went according to expectations, with a total of £4,255,150 and 20.71 per cent unsold. This is the tricky area, with dealers trying to dispose of pictures which have lost their earmarked private buyers, perhaps impoverished by the stock exchange fall last autumn.

Cox joins ROH team

The Royal Opera House has appointed John Cox to the newly-created position of Production Director, completing the new team which will develop the overall future artistic policy and strategy at Covent Garden: General Director Jeremy Isaacs, Music Director Bernard Haitink, Artistic Administrator Peter Katona, and Dramaturg Patrick Carnegy (who arrives in the autumn.)

Mr Cox, for 10 years Director of Productions at Glyndebourne and later Artistic Director of Scottish Opera, will also direct his own new productions.

Arts guide

March 25-31

Exhibitions

WEST GERMANY

Berlin, Martin-Gropius Bau. Joseph Beuys (1921-1986). This is the first complete show of Beuys works ever presented in Berlin. There are about 150 room-sculptures and objects and about 456 paintings from the end of the 1940s to the end of the 60s based on a cycle The Secret Block for a Secret Person in Ireland. The sculptures are an echo of real life and the artist's memories. Beuys was a political radical, who attracted plenty of hostility. This exhibition has been criticised for not showing this aspect. Stresemannstrasse 110. Ends May 1.

Bottrop, Joseph Albers Museum, Im Stadtgarten 20. To commemorate the 100th anniversary of Josef Albers birth, 100 paintings of the artist, born in Bottrop (1888-1976), cover the full range of his work. (Ends May 5).

Bad Homburg, Sinclair-Haus Lowengasse/Dorotheenstra. From Marees to Picasso 82 great works of European painting, on loan from Wuppertal von der Heydt Museum and 9 paintings from Marees. (Ends April 24).

AMSTERDAM

Stedelijk Museum. An explosion of colour and exuberance fills ten of the museum galleries in the Frank Stella retrospective of paintings and reliefs from 1970-1987. Ends April 10.

Tropenmuseum. The arts and crafts of Indonesia illustrated with more than 500 objects in bronze, bamboo, textiles and precious metals spanning 2000 years of cultural history. (Ends August 21).

Fodor Museum. The influence of realism and impressionism on the 19th-century Amsterdam school of painting. (Ends April 17).

Rotterdam, Boymans-van Beuningen Museum. The textiles of Noriene and the glass artistry of Lino Tagliapietra inspired By the Light of the Lagoon and the long tradition of Venetian craftsmanship. (Ends May 23).

The Hague, Gemeentemuseum. A lavish exhibition tracing Mondrian's development from figuration to abstraction, together with 70 paintings and drawings from the late New York period on loan from the Sidney Janis collection. (Ends May 29).

Overholland Museum. Frank Stella drawings 1956-1970. Museumplein 4. Ends April 10.

PARIS

Grand Palais. Zurbaran. From New York, an exhibition of 72 paintings retraces the artistic development of one of the great masters of the Spanish Golden Age. Influenced at first by Caravaggio's chiaroscuro technique, Francisco Zurbaran progressively abandons the strongly-contrasted rich colours for a softer palette with near monochromes. Reversing the perspective, using geometrical composition settings and shedding everything superfluous, the mystical painter of the counter-reformation seems to be a precursor of cubism. (42560924). Ends April 11.

Musée d'Orsay. Van Gogh in Paris. To mark the centenary of Van Gogh's two-year stay in Paris, a period which proved a turning point in his artistic development, the Musée d'Orsay has assembled more than 50 of his paintings and a dozen of his drawings from national and private collections. By hanging landscapes and still lives by Monet, Anquetin, Renoir, Toulouse-Lautrec and Signac next to Van Gogh's work, the exhibition brings out their influence on the transformation of the Dutch artist's traditionally sombre colours into a soft impressionist palette underlined by contrasts of blues and oranges, reds and greens. Yet in spite of the revelation of his affinities with impressionism and post-impressionism structured by a strong dose of japanism, Van Gogh used both the techniques in his search for his own, profoundly personal art expressed most dramatically in the series of his self-portraits. (45 49 48 14). Closed Mon. Ends May 15.

Centre Georges Pompidou. Le Dernier *Picasso 1953-1973.* By placing the last twenty years of Picasso's work in the context of contemporary art, the 95 paintings, 24 drawings and 70 engravings exhibited permit a fresh approach to the controversy caused by contradictory judgements on the ageing painter's feverish creativity. Absorbed at first by paraphrasing Delacroix, Velasquez, Manet and David, his fantasies and obsessions turned to the painter and his model and finally to the basic themes of the archetypical woman, The couple, the man. (42 77 12 33). Closed Tue, Ends May 16.

Petit Palais. Winterhalter and European Courts from 1830-1870. A retrospective of the painter of graceful feminine beauty around the thrones of France, England and Belgium. (42 65 12 73). Closed Mon, Ends May 7.

Grand Palais. Degas. An important retrospective of 275 works covers 60 years of the artist's career from his student beginnings in Italy in the rich maturity of his last years. His favourite themes of ballet dancers – there are the two versions of La Classe de Danse – and of jockeys and race courses, of washerwomen, milliners and bathers show the diversity of his inspiration echoed by the variety of his modes of expression. Oils and pastels, drawings and engravings, photographs and sculpture complete the vision of daring and invention of the painter who helped to usher in modernity. (42 56 09 24). Ends May 16, Closed Tue.

LONDON

Tate Gallery. Douglas Cooper – The Masters of Cubism. A small but choice selection of 81 works on paper from Cooper's collection of cubist art of all kinds but principally of the work of the great quartet of Picasso, Braque, Gris and Leger. Ends April 4.

Tate Gallery. David Bomberg – A full retrospective of one of the most distinguished British painters of the century, yet one whose secure critical success came only after his death in 1957, at the age of 66. As a A Certain Robert Doisneau. Photographs spanning the 40 year career of Doisneau, from his touching and evocative Paris street-scenes of the immediate post-war years to a series of portraits of well-known writers and artists. Tender but unsentimental in the images of children and lovers among the rubble of the bombed city, Doisneau is illuminating, humorous, and un-malicious in his portraits: Picasso in 1952, sitting with splayed hands on the lunch-table, but with bread-rolls where the fingers should have been; Prevert posed carefully in front of the shop Merode, so that the O is covered; Colette with an enormous collection of paperweights, and Julien Green, de Beauvoir, Simenon, Dubuffet and Giacometti. Ends April 3.

Florence, Palazzo Pitti. Floralia – 80 paintings of flowers and plants with drawings, tapestries and illustrated botanical books, testifying to the Medici's precocious passion for this science, from Cosimo I onwards. Ends April 16.

MADRID

Circulo de Bellas Artes. The Romantic Tradition in Contemporary British Painting proposes that a parallel development to modernism has embraced most major British artists since William Blake and that it is as alive today as 150 years ago. This is the first exhibition to undertake such a re-examination and the first group exhibition of contemporary British painting to tour Spain. It features 10 artists and 36 works from private and public collections, some being shown for the first time. The romantics established a spirit-young man in London before the First World War, Bomberg was associated with the Vorticist movement, of the first importance and originality. But now we can see that far from fading into sad mediocrity, deserving of neglect, his later work, though superficially so different, retained all that strength, liveliness and profound originality.

ITALY

Rome, Villa Medici (French Academy). al-landscape tradition which proved to be indigenous and an enduring influence in the century to follow. This lineage can clearly be traced from the 19th century through Nash, Sutherland, neo-romanticism, Moore, Bacon and British abstraction of the 1950s in the artists represented in this exhibition. Ends April 17.

NEW YORK

Metropolitan Museum of Art. Every phase of Fragonard's art is included in this, the first comprehensive exhibition of his works that capture France in the last decades of the *ancien regime. With 90 paintings* and 180 drawings, the show comes from the Louvre with his studies of contemporaries in theatrical costumes as well as paintings like The Fête at St Cloud and The Seesaw. Ends May 8.

WASHINGTON

National Gallery. The human figure in early Greek art is the subject of 67 sculptures and painted pottery starting in the 9th and 8th centuries BC with silhouetted stick figures and ending with the naturalism perfected in the 5th century BC. Ends June 12.

CHICAGO

Art Institute. A centenary retrospective of the work of Georgia O'Keefe evokes the world of flowers and skulls to the luminous light of New Mexico. Ends June 26.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4 P4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday March 31 1988

The Jackson factor

GEORGE BUSH is not Ronald Reagan. It is mostly because of the President that Mr Bush now stands assured of the Republican Party's nomination, but there is a world of difference between winning primaries in one party and carrying the country in a general election.

For this reason, beyond all others, many American Democrats have long been convinced that the Vice President is eminently beatable in November. They have current evideoce to bolster this confidence. A poll last week by the New York Times suggested that one in five of those who voted for Mr Reagan in 1984 would support a Democrat this year. Other surveys have put Mr Bush neck and neck with Governor Michael Dukakis of Massachusetts, the shaky Democratic front runner. No matter how popular he remains among his party's faithful, there is a *fin de siècle* air to Mr Reagan's general performance at present. The easy override last week of his veto of civil rights legislation is just one manifestation of a nation no longer much moved by what its chief executive does and thinks.

But it takes two fit men for a fair championship fight and it is still far from clear that the Democrats are going to be able to field a challenger who does not have at least one hand tied behind his back. *This is partly their own* fault, in that pre-eminently strong contenders, such as Governor Mario Cuomo and Senator Bill Bradley, have chosen not to run. Their absence, understandable perhaps but inexcusable given the opportunity, and the less than convincing performance of their alternatives, Mr Dukakis included, has left a void. The party's problem is that a substantial part of it is being filled by the distinctive figure of the Reverend Jesse Jackson.

Liability and asset

He is, at once, both a liability beyond calculation and a potential asset beyond value. On the first count, his presence on the ticket, or the incorporation of his policies in the platform, would surely hurt the party in the election. Even if the US were ready for a black candidate in either slot, it certainly would not be a man as controversial and as unpredictable as Mr Jackson. Whatever his other talents, he has never held elective office, his judgment is unproven, and his positions, mostly very much of the left, would seem out of touch with majority opinion in his country.

But, on the second hypothesis, a Jesse Jackson unreservedly waving the flag for a Democratic ticket in the autumn could make the difference between success and failure. He has finished first or second in two thirds of all the primaries and caucuses so far decided. Mostly this is because he has been able to mobilise minority support; only in the special circumstances of the caucuses in Michigan, a depressed state with a strong sense of resentment against external competition, has his share of the non-black vote exceeded 10 per cent. Upcoming and more representative primaries in Pennsylvania, Ohio, New York, New Jersey and California will test his broader appeal more severely. But even if he fails, he has already made a major point, that the minority vote matters, much more for the Democrats than it does for the Republicans, and especially to the South.

Touched a chord

Mr Jackson's strength could transcend racial boundaries. More than any other candidate from either party, he is talking about issues that affect the common man and woman. The Reagan years may have created more wealth for many Americans but they have not much reduced the underclass, which cuts across colour lines. This constituency, no longer the automatic fiefdom of the Democrats and now poorly represented by the trade union movement, is there to be galvanised. It is significant that Mr Jackson has touched this chord with greater resonance than his two white opponents purveying similar messages, Senator Paul Simon and Congressman Richard Gephardt.

So, if it is up to George Bush to prove, in the wider arena, that he is not Ronald Reagan, it is up to the Democratic Party to find room for Jesse Jackson, and he has not yet begun to bargain. It is debatable which challenge is the more daunting.

The future for local democracy

A COMPANY that faced a competitive threat in all its markets and a simultaneous upheaval in its financial structure would be exceedingly apprehensive. Local government is in precisely that position. On the financing side, the Thatcher Government remains determined to replace domestic rates by the community charge and assume responsibility for the new, uniform business rate. In the process, it will raise the proportion of local spending financed centrally from under half to about three quarters.

In terms of markets, the authorities face a series of challenges. Their share of the housing market has fallen from about a third to a quarter as a result of the massive sales of council houses and the near halt in council building. Further contraction is certain. At the same time, the policy of compulsory competitive tendering is undermining the councils' role as monopoly suppliers of a wide range of local services. The authorities also face a competitive threat in their biggest market of all – education. The bill passing through parliament allows state schools to opt for Whitehall (rather than town hall) financing and control. Since education accounts for nearly a half of local authority expenditure, even a small exodus will have serious consequences.

These are pretty momentous changes. Indeed, the Audit Commission claims authorities are in the "throes of a revolution." To drive home the point, it has just produced a glossy pamphlet analysing the changes and offering beleaguered town halls "eight keys to success." The report, which reads a bit like In Search of Excellence, the US best-seller on corporate success stories, argues that councils will prosper only if they radically change their attitudes and adopt more sophisticated management techniques. They must understand their "customers," train and motivate people better, communicate more effectively and so forth.

Humdrum necessity

Such recommendations sound a little trite. Local government, councillors will complain, is more than a collection of small companies; its guiding star cannot be the latest issue of the Harvard Business Review. This is true, but it is also the case that many authorities have laid excessive emphasis in the past on the "political" aspects of their task, and too little on the humdrum necessity of meeting community needs as efficiently as possible. Indeed, if local authorities had performed their basic tasks more effectively, they would be more popular with the electorate (turnout in UK local elections is only a little over half that in the rest of Europe) and less threatened by central government.

As the Audit Commission points out, services need to be provided *for* the public, rather than merely to it. In the past, it says, "understanding customers was largely a matter of statistical forecasting – every new house built and occupied was by definition one more customer satisfied." Yet many of the dwellings erected in the 1960s are no longer regarded as habitable. Something clearly went wrong. In future, councils will have to strive harder to meet the needs of local people, or else lose market share to others.

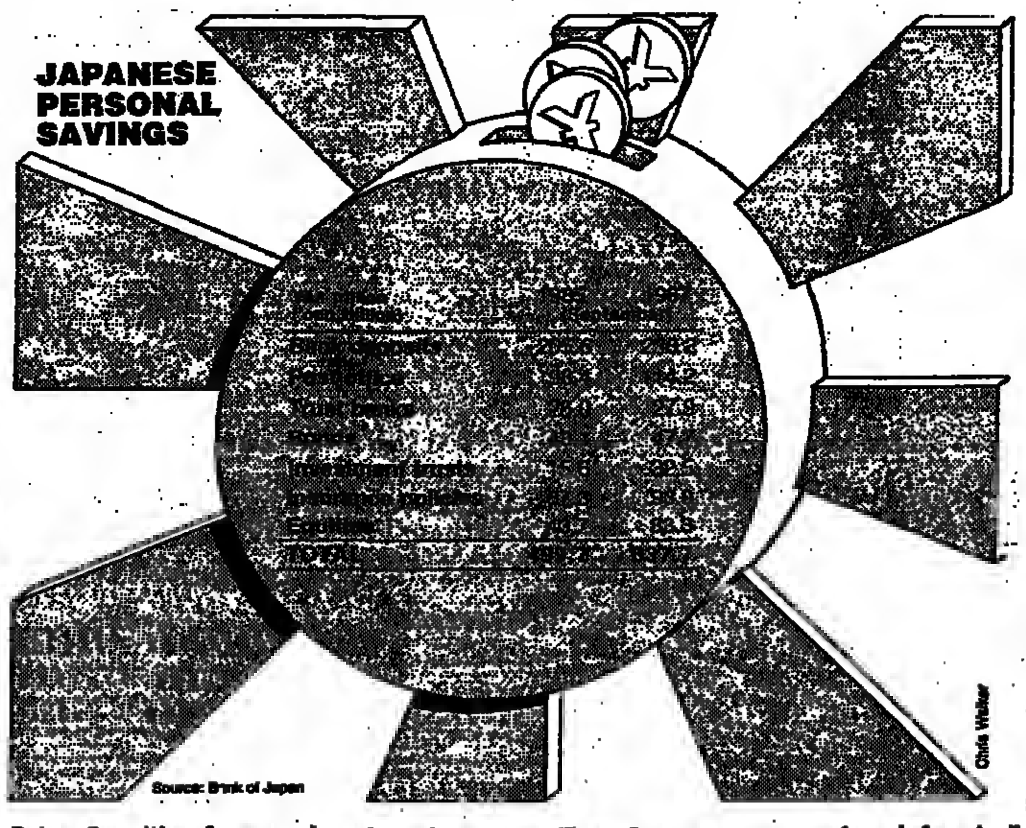
Control and constraint

The Audit Commission analysis is fine as far as it goes. Better management and greater responsiveness are crucial; but they cannot be expected to compensate for the shortcomings of central government. Successive Thatcher administrations have failed to reform local government; instead they have seen it almost exclusively as something to be controlled and constrained. Indeed, the point has been reached where central government is actively seeking ways of excluding local government from decisions affecting local communities – this is a feature of some of the inner city initiatives.

This adverse shift in power is being accompanied by one of the least sensible tax "reforms" ever introduced. Local government ought to be covering a higher proportion of local spending through broad-based and fair local taxes. Instead, it is being obliged to introduce the unpopular and inequitable community charge and rely on Whitehall for a higher proportion of its funds. These changes will probably do more to undermine effective and responsible local government than any number of Audit Commission reports will do to enhance it. Local government is not the only place where a change of attitude is required.

Stefan Wagstyl on an upheaval in Japan's personal savings market

Out comes the buried treasure



JAPAN'S financial companies are fighting as never before for the money of individual investors. Banks, brokers and life insurance companies are scrambling to take advantage of the greatest upheaval since the war in Japanese personal savings.

From tomorrow, April 1, the Government is abolishing *maruyu* – a system of tax breaks on small deposits, which account for nearly half of the country's Y640 trillion (million million) personal savings. *"For the next six* months, the competition for this money is the biggest financial issue in Japan," says Mr Masayasu Yamagata, general manager in charge of individual banking at Mitsubishi Bank.

Household savings, which have grown by 150 per cent in the last 10 years, now amount to an average of Y5.25m (£22,800) for every man, woman and child. Japanese workers save so hard as protection against hard times, particularly in old age, and to provide for their offspring's education.

Housewives, the financial managers in most Japanese homes, have long kept much of this money in the post office. But they are now being bombarded with alternatives, following the liberalisation of Tokyo's markets which allows financial companies to promote a greater range of savings instruments.

The highlight of a campaign at Daichi Life, one of the biggest life insurers, is a roadshow of investment seminars called "Life Design Shop".

Nippon Life, the largest life company, has countered by opening a high-technology branch office filled with bright lights and computers, at Shinjuku, a Tokyo shopping and office centre. Customers are encouraged to work out their financial plans with the help of keyboard games, funny songs and cartoon characters.

The branch manager says life insurance salespeople – mostly women in Japan – have a poor image because their only regular contact with clients is collecting premiums. "We have to improve what people think of us," he says.

Japanese banks, too, have suddenly become more eager to please. Customers are greeted with television screens describing the latest combinations of current and savings accounts. Mitsui Bank has a team of 200 financial advisers touring branches offering free counselling. New deposits are rewarded with prizes, such as boxes of tissues and writing paper. Mitsubishi Bank hands out cuddly toys from a range called "Hello Kitty".

The selling sometimes sails close to the wind. One bank heads its advertisements with the words "16 per cent" in bold red letters. It then explains in the small print that its rate is 16 per cent better than other banks – because it offers 3.58 per cent instead of 3.09 per cent.

Securities companies meanwhile are holding investment classes, announced in full-page newspaper advertisements. Daiwa Securities, for example, attracts up to 200 people to sessions of its "Savings College" held at branches throughout Japan.

All this razzmatazz from financial companies is a far cry from the days *when the maruyu* tax-exempt savings system was founded, after the Second World War, to help channel funds into rebuilding the economy.

Individuals can keep up to Y14.5m in tax-exempt savings – Y3m each in the bank, the post office and bonds, plus up to Y5m in a special schemes for company employees and Y0.5m on deposit for buying a house. The system is notoriously abused because people divide their savings between dozens of accounts in assumed names to dodge tax, or hide illicit gains from crime or bribery.

Controls at the post office are thought to be particularly lax. From April everyone, except pensioners, the disabled and single parents, will have to pay 20 per cent tax on these savings. There have even been suggestions in Tokyo that the change will encourage a spending spree.

Japanese people have gradually reduced the proportion of income they save from 25 per cent in the early 1970s to 16 per cent now. However, the relentless accumulation of savings has continued to be fuelled by rising incomes, not least because of mounting interest and dividend payments.

Mr Toshio Shirai, general manager of market planning at Daiwa Securities, says: "All this money is a golden cross. People are thinking hard abont how they manage it." Financial institutions do not, therefore, fear an overall decline in savings – but they are greatly concerned about where the money will go. In a recent public opinion poll, 25 per cent said they had already moved money out of *maruyu* accounts or would do so.

In Tokyo, the rule of thumb is that the average investor wants *to have the equivalent of one* year's salary in a savings account before considering anything more adventurous. Daiwa's Mr Shirai says investors are conservative as ever. But people who once had the equivalent of two years' income in the bank and the post office have now saved four or five years' income, he says.

Life companies have had a flying start in the race for investors' funds, because the abolition of tax breaks on *maruyu* accounts has suddenly made many insurance-linked schemes more attractive since they will remain exempt from tax. The most popular single premium policies have sold so well that the authorities have ordered the companies to stop advertising the tax advantages. Nevertheless, there will be a limit to how much money will flow into these schemes because funds have to be locked up for at least five years to qualify for tax exemptions.

The contest for liquid funds is being fought largely between the state-owned post office and the commercial banks. It is an unequal fight because, even after the abolition of tax breaks, interest rates on small deposits (below Y50m) will continue to be regulated in a way which favours the post office, which has so far managed to block attempts by the Ministry of Finance to liberalise rates.

Banks have threatened to free rates unilaterally if there is no progress, but the post office refuses to budge. Bankers do not expect any reform before April 1989.

The post office fears open competition because *maruyu* accounts make up almost all of its Y114 trillion deposits. It is afraid its network of 23,000 branches will be too expensive to run if banks drain away funds.

Banks say customers will leave the post office because they offer a wider range of services, including cheque accounts, personal loans and foreign exchange. They are especially proud of the sophistication of their automatic teller machines. These not only pay out cash, but also do bank transfers, give statements and even approve loans on the spot. Banks hope that the higher (free market) rates available on large deposits, those above Y50m, will tempt customers to consolidate separate *maruyu* accounts with them.

Meanwhile, securities companies are gaining ground among the richer Japanese. While sales of equity investment trusts aimed at individuals have slowed since the October equities crash, they remain popular. Sales last year were Y22 trillion – 12 times higher than in 1982.

Brokers believe the abolition of tax breaks on small deposits will tempt more investors into the stock market, especially as capital gains in Japan are for the moment largely tax free. As in the UK, privatisation of companies, including Nippon Telegraph & Telephons and Japan Air Lines, has created many first-time shareholders. For the moment, the average Japanese person has just 13 per cent of personal financial assets in securities, against 40 per cent for the typical American.

THURSDAY BOOK REVIEW

Developing Countries in the Gatt Legal System

By Robert Hudec
Gower £12.95

THE CURRENT Uruguay Round of trade liberalisation talks is supposed to reflect a fresh approach to the way developing countries fit into the *international trading system*. The diversity of the issues involved, ranging from agriculture and textiles to trade in services and investment, means that developing countries have an unusually large interest in the outcome. It also means that the old, rigid barriers between North and South are being broken down.

Mr Arthur Dunkel, Director-General of the General Agreement on Tariffs and Trade (Gatt), is one among many who perceive in this a significant change. Now, more fluid alliances on specific issues like services and agriculture are being formed which unite some developing countries with developed counterparts. The hope is that this will eventually lead to a better integration of developing countries with the world trading system as a whole. Quite simply, the policy debate will slowly become more sophisticated because it will no longer be dominated by confrontation between rich and poor.

In this context Professor Hudec's book is timely. It examines the relationship between developing countries and the Gatt over the past 40 years and finds it flawed because it is based on a philosophy of unequal treatment. Partly out of the developed world's liberal adherence to the concept of welfare, a system has grown up which excuses developing countries from the core disciplines of trade liberalisation while allowing their exports preferential access to the markets of the developed world.

Prof Hudec is not the only person to question whether this seemingly benign approach is ultimately beneficial to developing countries. The World Bank, too, has urged them to reconsider their reliance on the generalised system of preferences (GSP) under which they obtain favoured treatment from the main trading powers in the industrial world.

One only has to look at the way the US has used the GSP as a bargaining chip to prise trade concessions out of Asian countries over the past couple of years – or at the recent European Community decision to withhold GSP benefits from Korea in retaliation for its failure to protect European patent rights – to see why this issue is topical.

Prof Hudec is a professor of law at the University of Minnesota. Though it does fleetingly address the economic issues involved in the North-South relationship, his book's main focus is on the way in which the unequal relationship has been subsumed in the legal framework of the Gatt.

The Gatt is one of the very few institutions whose legal framework permits one rule for the poor and another for the rich. It is clear from Prof Hudec's book that this approach sits very uneasily with basic legal disciplines. A legal system which sets out to favour some at the expense of others is bound to lose impartiality and objectivity. The Gatt permits *developed countries to* distribute largesse in the form of GSP, but there are no objective rules about who should be entitled to such largesse and for how long.

This already points towards several conclusions that are predictable in any work from the ultra-free-trade Trade Policy Research Centre. Prof Hudec acknowledges that the philosophy of unequal treatment may have helped promote developing country exports to the developed world in the past. But nowadays developed countries are becoming more restrictive, especially when confronted with a range of more sophisticated, processed goods which compete increasingly with their own.

The protective shelter afforded to developing countries by the Gatt may actually work to their long-term disadvantage, he says. At one point he likens it to the addictive effect of penny gin. At another he suggests that developing countries which are really interested in trade liberalisation would do better outside the Gatt.

Among his reasons is the way the present system allows developing countries to pick and choose which of their infant industries to protect. Governments, he says, are notoriously bad investors and subject to political manipulation which can do long-term economic harm. Ultimately, Prof Hudec says, developing countries would be better placed to demand reciprocal access to industrial countries' markets if they gave up seeking special privileges and opened up their own markets as a quid pro quo.

A caveat for the uninitiated: however simple it may seem on the surface, trade policy is a complex business, especially when it strays into the legal arena. Inevitably, this book is not an easy read. The first half is a potted history of the relationship between the Gatt and developing countries which has won some praise from the academic community for its unusual perspective even though the style is unexciting. The second half is flawed because much of the argument is subjective and lacking concrete illustration.

Prof Hudec raises issues which deserve a broad public airing. He would have done the world a service if he had made his work better argued and more accessible to the intelligent layman. He says the book is addressed to governments of developing countries. It is hard to imagine many hard-pressed officials picking it up as reading material for their next long flight to the Gatt in Geneva.

Peter Montagnon

Smart names to watch

One of the big changes in Britain in the last decade or so is that the list of the country's most successful companies is not what it used to be. A few years ago, for example, not everyone would have been familiar with Hanson or BTR. Indeed some are still not. *When BTR launched its bid for* Pilkington even some Cabinet Ministers asked not only what is BTR but who is Sir Owen Green, the company chairman. Yet Hanson and BTR between them are part of the hallmark of Britain in the 1980s.

Business, the monthly magazine, has had a shot at naming the top companies of the year 2000 in its April issue. A table of what it calls "The Smart 200" covers British-owned companies with a turnover of between £10m-£80m, all of which are quoted and have been on the market for several years. The test is the speed and consistency of their growth.

Top of the list is Bestwood, which is in property and financial services. Second is Body Shop International and third is Thermal Scientific of Sheffield, which specialises in electrical equipment.

Other strong runners include the *BM* Group of Chippenham, an engineering concern still partly owned by Beazer, and Spring Ram Corporation of Halifax which makes fittings for bathrooms and kitchens.

Quite the most striking fact about the table is the sheer diversity of it – in terms of geographical spread, range of product and management style. The now Lord Joseph used to say when he was Secretary of State for Industry that he could never understand why one company worked and another did not, but that one day there might be spontaneons, diversified growth. Perhaps now there is.

OBSERVER

Queen's mate

Researchers into a forthcoming exhibition of betrothal rings have found that Queen Elizabeth I was a bit of a graffiti artist when it came to her love life. Unlike lesser mortals who would settle for carving hearts in tree trunks, she preferred to use her sharp-pointed diamond ring to etch out messages on glass. Nothing like "Queen Elizabeth rules OK" here though. In one exchange with Sir Walter Raleigh, he wrote: "Fain would I rise, but that I fear to fall," and she scratched the reply: "If thy heart fail thee, do not rise at all."

This snippet of information is included in "The Power of Love", an exhibition of diamond betrothal rings over six centuries at Goldsmitha Hall, London (April 6-22). Most have been loaned from the private collection of New York gem dealer Benjamin Zucker.

Foggitt is watching

Easter is going to be cold this year, according to Bill Foggitt, the North Yorkshire weatherman who swears by Buchan's First Spring Cold Spell observations. Alexander Buchan was a 19th century Scottish meteorologist who noted recurring cold spells between April 3-14.

Foggitt *said:* "Those people who fix Easter at different times ehould etudy weather records. Then they would see the sense of having it later."

He is sticking to his forecast of a good summer, now reinforced by the frogs which confidently laid their spawn 10 days early in the middle of the pond instead of seeking the shelter of the edge. The rooks, too, are nest-building high in the trees - no worries about bad weather there.

Foggitt is a regular at the Three Tuns in Thirsk, a popular meeting place for all kinds of people. He was propping up the bar the other day when the local vet, Alf Wight, better known as James Herriot the author, walked in with Roy Hattersley, deputy leader of the Labour Party. Foggitt, who at 75 has not lost his eye for an attractive woman, said: "There was a ravishing blonde with Hattersley. I expect she was helping him take on that Prescott fellow."

Wight, who often wears dark glasses in the evenings, is a shy man who tries to avoid publicity. It did not go down too well when Foggitt pointed him out to a visiting American who walked over to the vet, hugged him and gave him a kiss.

Returning to the weather, Foggitt advised overcoats at the weekend and warns of a few showers on Sunday. "Nothing to worry about, as Michael Fish – the BBC weatherman – would say. I went for a Donkey ride with him on Blackpool beach once - nice man."

Oxford heavies

Behind the publicity and the sweat involved in preparing for Saturday's Boat Race for the Beefeater Gin Trophy, the gossip on the towpath is whether Oxford resort to underhand methods to acquire experienced oarsmen while Cambridge continue to behave like gentlemen.

Oxford have five post-graduate oarsmen in their crew which includes six Old Blues from last year's winning crew, and two Americans. Cambridge are an all-British crew, and with the exception of stroke, are all undergraduates.

Angry mutterings say this is why Oxford are on average 11 pounds heavier – *are post-graduates better fed? – and older* with an average age of just over 23 against just over 21, along with suggestions of inducements to graduates to stay on and row the race.

Beefeater Gin, in the second year of the £330,000 three-year race sponsorship, declines to comment on the matter.

Lunch is off

Exploiting a "loophols big enough to fly a 747 through," Continental Airlines has been advising Americans in recent advertisements to take a tax holiday: "If you're not looking forward to paying your taxes, we suggest you leave the country." For years Americans travelling outside the country on April 15, the annual deadline to file and pay-up, had won an antomatic two-month extension. Montreal was a favourite lunch venue on that day.

The Inland Revenue saw the ad and closed the loophole.

On your bikes

The European Commission is setting common conditions for the production and use of bicycles in its drive to create a barrier free market by 1992. One condition is the unification of male and female bicycles to a single sexless model. Recycled materials should be used in their manufacture, cycle paths must be provided at borders, and obstacles such as cobblestones and tramlines must be removed.

The proposals, emanating from Lord Cockfield's office in Brussels, are due to be published on April 1.

John Elliott and Geoffrey Owen talk to India's Prime Minister, Rajiv Gandhi, about his plans to tackle his country's problems

A renewed promise of reform

MR RAJIV GANDHI, India's young but hard pressed Prime Minister, exudes confidence and enthusiasm. With a personal style which betrays no strain or depression after the political traumas of the past year, he seems determined not to be diverted from his chosen path of reforming India's over-protected and over-regulated economy.

"We are very clear, there is no change in thinking," he declared during an interview in New Delhi's Parliament House. He dismisses last year's problems, which included personal charges of corruption and a revolt by some senior ministers, as "raw politics". But he recognises that another dose of reform and a reaffirmation of policy is needed to pick up the momentum that was dissipated.

Mr Gandhi, 43, retains the honesty and openness which impressed people when he suddenly came to power in early November 1984, after Sikh extremists assassinated his mother Mrs Indira Gandhi. In the intervening years, he has slipped from the pinnacle on which India and the world put him because he has failed to hold a stable government together and to overcome India's great resistance to change.

He has until the end of next year, when a general election is due, to prove himself afresh. In addition to pushing through reforms, he must also tackle two other issues: the growing Sikh violence in the Punjab and the Sri Lankan ethnic crisis, which is tying down at least 45,000 Indian troops on foreign soil.

But, wisely or unwisely, he seems broadly happy with his image and admits to little worry about his credibility. "The image problem is more in a certain section of society and a certain readership of the media," he says, referring to the urban elite which he believes is always fickle.

"But in other areas there is much more important work to be done than to be worrying about refurbishing images. The truth will come out and the urban elite are intelligent people; they will see what's right and what's wrong."

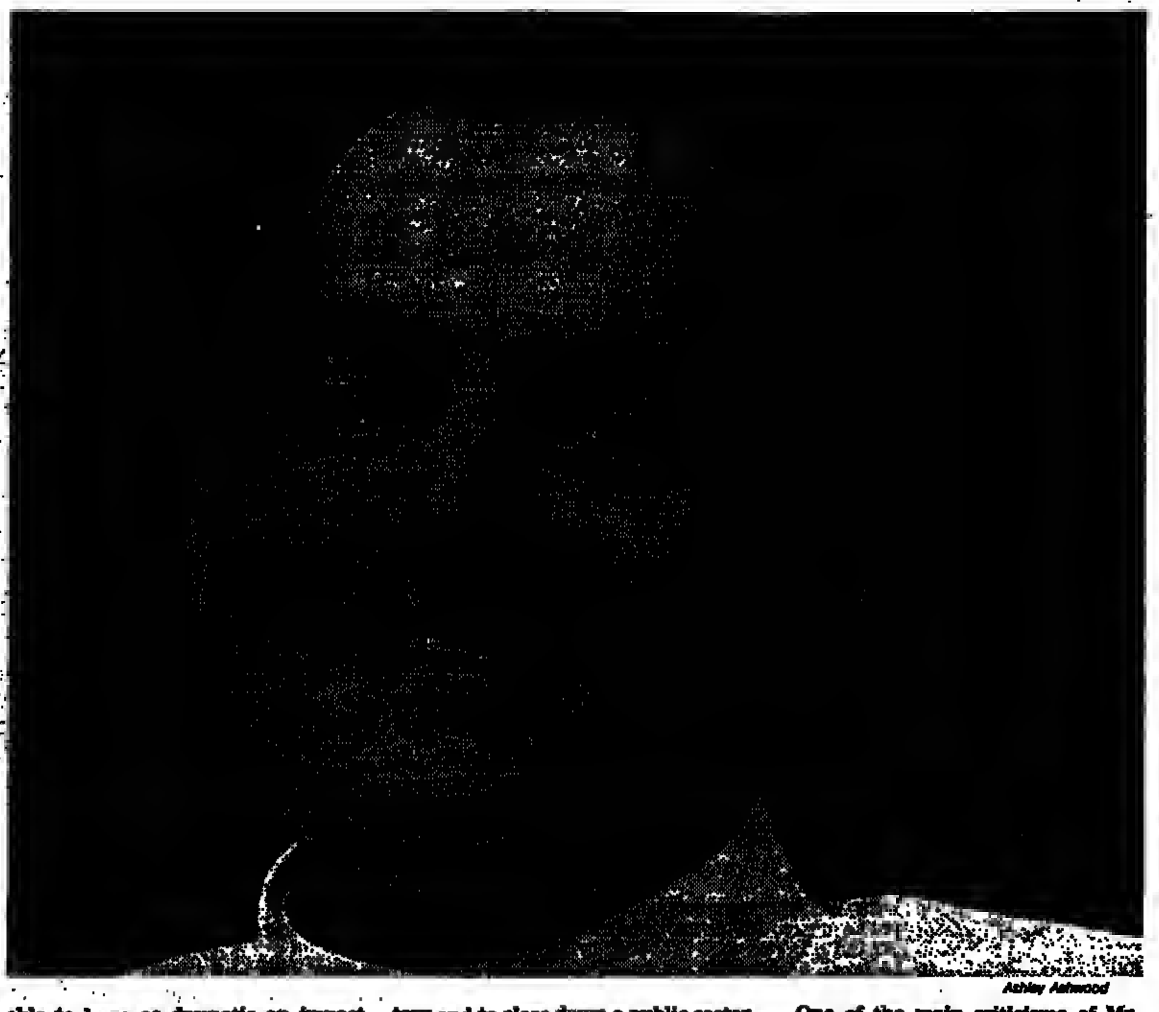
Mr Gandhi is determined to break through the vested interests which stand in the way of change. He explains that last year's progress was slowed down, not only by political problems, but also by a drought "which really strained us very much and removed any flexibility we had." There was also an expensive Pay Commission award of rises exceeding 20 per cent for government employees and other public sector staff, without any productivity increase.

Mr Gandhi recognises that the public sector has been absorbing too much of the nation's savings, especially through investment in infrastructure, and that government spending must be cut. He says the balance of payments is "in the amber zone," but the right response must be to maintain the thrust of exports, not to restrict imports.

India has been hit by two years of droughts and Mr Gandhi argues that his industrial liberalisation policies have been vindicated by good growth rates – about 8 per cent in the past year – despite these setbacks. "We are very clear it is because of the policies we had started," he says. But he is not entirely happy about the reaction of businessmen. "The response we are getting is very positive from the middle and small sectors – but the big boys, they are just too heavy."

He is critical of industrialists for their reluctance to face competition. When they are given licences for a certain line of production, he says, they want assurances of profitability, but "that's their problem. We're not responsible for whether they are successful or not."

The next target is agriculture, which Mr Gandhi says has been identified as a major weakness by the Planning Commission in its recent mid-term review of the country's seventh five-year plan. "We have a good excuse – we have had four bad monsoons. But I don't think that is enough. You can make excuses but you must be strong enough to overcome these things. India is capable of handling the severest climatic conditions. But that is not good enough. We have got to go through such periods with much less difficulty."



Ashley Ashwood

Mr Gandhi seems unlikely to be able to have as dramatic an impact on agriculture as he had on industry in his first couple of years. But he hopes that measures in last month's Budget, plus what he calls technology missions on oil seed and other production, will help.

"We need better utilisation of what we have already invested in. Our investment in irrigation is wasted to a very high degree. We have got an obsession for big things and sometimes do not complete them." Mr Gandhi also has a working group trying to find ways of making subsidies more selective, so that they reach the producers and consumers who really need them.

Reform of the public sector is a central theme. "We can't continue subsidising non-essential areas in the public sector. I don't think India is ready for the sort of privatisation that you have done in England." But he wants government intervention to be more flexible, investing in new areas, like biotechnology, and moving out of activities where it is no longer needed. He points to the access which has been provided for the private sector in defence and telecommunications production.

Mr Gandhi attaches great symbolic importance to two recent decisions: to privatise a state-owned scooter factory and to close down a public sector unit. (The difficulty of closing anything, in private and public sectors, is a constant complaint of Indian industrialists.) Yet the purchase of the scooter factory by a leading private concern, Bajaj Auto, is being fought by the employees, who fear the loss of jobs.

The Prime Minister acknowledges his lack of success in reducing the public sector. "I have to admit we have been banging our heads. We have identified areas, but the government is such an incredible machine that whenever you ask a question it goes to the department you have been asking about and they have very good answers, as we have all seen on your BBC series (Yes Minister and Yes Prime Minister). I have quoted from it in some of my meetings. I've got a *touché* reply and got the thing done.

"I set up a little group to identify surplus non-essential areas where we are operating. We found a number of them. We have managed to reduce them in size, but I must admit we haven't been able to close down anything substantial. But we have reduced the number of posts in government very substantially, by well over 8,000, without trauma, by closing down at the right time."

One of the main criticisms of Mr Gandhi's regime is that corruption has become worse in the past three years, despite his initial emergence as a Mr Clean devoted to stamping it out. He has constantly denied that he and his family were involved in last year's scandal, which is still rumbling, about bribes and agents' commissions on a $1.4bn Bofors gun contract.

But he does not strongly demur from the allegation that corruption in India is worse. Instead he considers the causes. He says that rapid social and economic changes during India's 40 years of independence, which have compressed several centuries of western-style development, are obviously going to cause rootlessness and trauma.

"I believe that much of the fundamentalism that is coming up is bred for the same reasons. Suddenly you have rootlessness, so you grab at something and you grab the most fundamental thing you can find," he adds, referring to recent increases of sometimes violent fundamentalism among India's religious and ethnic groups.

The first thing that then falls by the wayside is the value system. As people become literate and educated, they accept "a purely materialistic value system." That breeds a view that "it is not corruption any more, so it becomes normal and natural.

"No matter how much policing you then do, it is a sort of bottomless well you are looking into. One of the problems with taking police action without denting the value system is that you increase the value of corruption. It is simplistic to say you must have more policing. Unless you change the value system, which is causing corruption, you can't get it at the roots."

The problem is caused, says Mr Gandhi, by heavy bureaucratic controls, by decades of shortages and, especially, by a bad education system.

Mr Gandhi does not accept the common criticism that he has had too many Cabinet reshuffles. He says that major portfolios and senior posts have not been changed too much, except when his hand was forced by people leaving. "Apart from that, we have tried to get stability." He says he also has tried to give special importance to portfolios like education and health, rather than the economic ones "because the root of economic development is the human being."

He rejects with equal aplomb criticism that he is becoming isolated, consulting few people and making decisions on the basis of short briefing notes. "I consult my Cabinet ministers, but the system doesn't seem happy about that. People don't believe you consult your Cabinet ministers. They believe there has to be a coterie or something – and if there isn't one, the system is just not happy, but they have got to get used to it."

The appearance of isolation is increased because of the heavy and often stifling security which surrounds him, at home, in his offices and when he travels – he heads the Sikh extremists' assassination list. "I have worked out systems of cutting through it, not by ignoring it or throwing it away but by co-operating with them. But it does limit things – you can't be as free as a Prime Minister was 10 years ago. But I think I do get enough contact with people when I am outside Delhi, Delhi is a little heavy."

But despite all the problems, he strongly rejects the idea that he would like to go back to civilian life where he used to be an airline pilot. He admits he would enjoy the private life, but not another job.

So is he caught up in politics? Yes and no. "The yes is that it is a challenge. When you are successful and you get things done, it does give you tremendous satisfaction."

But the idea that this initially reluctant politician might sometimes be tempted to walk away from it gets a very firm "No". The prime ministerial line of succession, which started with Mr Jawaharlal Nehru, India's first Prime Minister and Mr Gandhi's grandfather, and continued with Mrs Gandhi, will not easily be surrendered.

The Punjab dilemma

MR GANDHI recently released from prison five militant high priests and other extremists in a controversial initiative to try to quell growing Sikh violence in the Punjab. Nearly four years ago, Mrs Gandhi tried to break the strength of the extremists by sending the Indian army into the Sikhs' Golden Temple at Amritsar, where the released priests now reign. That move provoked her assassination.

Asked why he had decided to release them, Mr Gandhi simply said: "We have tried everything else." There was no other Sikh leadership to deal with. He had tried the recognised Akali Dal party through elections in 1985 and, more recently another elder, Mr Singh Badal, "and it didn't work out."

Mr Jasbir Singh Rode, leader of the five, had given the Government no promises about ending violence. "He wouldn't survive if he had given us any assurance, he would be of no value," said Mr Gandhi.

"I have always believed you cannot solve a problem of terrorism by just brute police force – it's like saying that by having police and better anti-corruption activities you can end corruption. You cannot. There has to be a parallel track, to have a political opening where you can find out what the problems are.

"If you ask me what the real problems of the Sikhs in Punjab are, I don't know, I don't think they know. You can say it's about sharing (the city of) Chandigarh or river waters or territory, but that's not really why they are so upset," says Mr Gandhi, referring to the Sikhs' territorial claims against the neighbouring state of Haryana.

In criticism of the Akali Dal Party, Mr Gandhi said: "Who are the moderates? Have the moderates made any moderate statements? They haven't. The moderates have been as extremist – sometimes even more so – than the extremists because their feet are on loose ground." He also distinguished between the terrorists and the extremists. "Extremists are people with an extreme religious or political view, but who have not gone to terrorism. We are not and do not intend to talk to the terrorists.

"I see the task as trying to pull over the maximum number that we can into the mainstream and on to the side of reason. But I accept that there will be a group who are not coming."

Many Sikhs insist there can be no peace without some form of emotional gesture by the government, preferably an apology from Mr Gandhi for his mother's 1984 raid on the Golden Temple. To that Mr Gandhi said: "Something emotional, yes, but what is difficult to say at this time. We shall have to see that further down the road."

Letters to the Editor

People may be penalised

From Miss Clare Short MP.

Sir, You reported (March 24) that the Secretary of State for Employment had written to the Trades Union Congress assuring it that the new Adult Training Programme would not be compulsory.

Unfortunately Mr Fowler's assurances are not all that they seem. Clause 26 of the Employment Bill gives him power to designate the new programme as approved training, and specifically provides that work experience can count as training. As soon as the programme is so designated, people can be penalised for refusing a place on the programme or for leaving early. The penalty is loss of unemployment benefit for six months or a 40 per cent cut in supplementary benefit for six months.

The Opposition has repeatedly asked for assurances that the new programme would not be designated under clause 26. Ministers refused to give this assurance. They constantly said they had no plans to designate. This is the phrase used in Mr Fowler's letter to the TUC. We pointed out that this meant be could make such plans at any point in the future (even in the lifetime of this Parliament). This was never denied.

The White Paper also promises a tightening of the Availability for Work Test. Norman Fowler spelled out in committee that people could be refused benefit indefinitely if they refused a number of offers.

I am convinced that ministers intend to force unemployed adults onto the new programme. If the Availability for Work test fails to do the job, the scheme will be designated under clause 26.

Clare Short,
House of Commons, SW1

'Venture' should mean start-up

From Mr R.G. Halford.

Sir, The Budget's extension of the Business Expansion Scheme (BES), to include investment in companies specialising in letting residential property, could be disastrous for small local syndicates which use the BES in the way – I think – the Treasury originally intended.

The St Helens Trust, first with Tilney Charterhouse and latterly with Granville, has sponsored four BES syndicates, resulting in about £700,000 raised and invested locally. The 19 companies which have received equity include new start-ups in manufacturing. I would argue this is using venture capital in the way implied by the word "venture."

The problem faced by all local syndicates is obtaining subscriptions to their funds. Our experience reflects the strong community support for St Helens, but we have now come to this particular well for four years and it must be running dry. Some investors may now have too high a percentage of their portfolio invested here in St Helens.

Potential investors now have an easy option. This is to invest their money in one of the many new BES syndicates which will specialise in the residential property area. Given the lower tax band, why should an investor risk his or her money in a manufacturing business in the north of England or in the Midlands when a more than adequate return can almost be guaranteed by investing in property in the south east?

Forgetting basic principles has produced a change which will be of no help to manufacturing or service companies in the north west region of the UK, and will contribute nothing to labour mobility.

R.G. Halford,
The Community of St Helens Trust,
PO Box 36,
St Helens, Merseyside

Zero-rating is not the best way

From Mr Hubert Scholes.

Sir, Mr Robin Rowe (Letters, March 23) rightly draws attention to the VAT treatment of cereal bars and children's furskin clothing. These – and many similar anomalies – arise from the decision to zero-rate food, children's clothing and other items in order to help the less well paid, in whose spending budgets they loom large.

However, VAT zero-rating is not the best way of securing this aim. As well as creating absurd anomalies, it benefits the better-off even more than the poor. This loses revenue, which must be made good by an unnecessarily high standard rate of tax – or higher taxes elsewhere.

Income tax and social benefits are much better adapted to the purpose. It is sad to see so many Members of Parliament, of all parties, resisting the efforts of the European Commission to bring about a sensible reform.

Hubert Scholes,
5a Lancaster Avenue,
Farnham, Surrey

Standardising the practice would help

From Mr Jonathan Hoffman.

Sir, Roger Bootle (March 23) criticises the UK authorities' failure to make explicit the valuation losses of foreign currency reserves, resulting from the weakening dollar last year; he prefers the Germans' approach.

German reserve accounting practice, however, produces a perverse (for an appreciating currency) discretionary fiscal tightening whenever the US dollar falls significantly against the DM – a most unhelpful obstacle to the reduction of global payments imbalances. Also: dollar appreciation does not lead to fiscal loosening – via unrealised gains on the reserves – to nearly the same extent as dollar depreciation engenders tightening, implying a deflationary bias to policy over time.

If we note, further, that since the Bundesbank's year-end (December 31) the US dollar has recovered about one-fifth of its 1987 loss against the DM, it becomes questionable whether the German procedure is much more satisfactory than our own.

With exchange rate volatility apparently here to stay, is there not a good case for some standardisation of national practice in this important area of fiscal policy?

Jonathan Hoffman,
McCaughan Dyson Capel Cure,
65 Holborn Viaduct, EC1

Step by step they went to Church

From Mr Ernst Verbeek.

Sir, A significant proportion of your readership has almost certainly been seriously offended by your report on Church & Co's annual result, referring to buyers of Church shoes as "fashion victims" or "City Sloane Rangers."

Ernst Verbeek,
Prinsengracht 38 C,
1015 DW Amsterdam,
The Netherlands.

Not all such schemes are run solely for the highest paid executives

From Mr Richard Percival.

Sir, "The report of my death was an exaggeration," cabled Mark Twain. The same could be said of reports of the death of the approved share option scheme as a result of the change in the taxation of capital gains.

Michael Skapinker's article (March 17) correctly states that the principal advantage of such schemes has been that beneficiaries are liable for capital gains tax (CGT) rather than income tax on any gain – which for highly-paid executives means tax at 30 per cent rather than 60 per cent. Not all such schemes, however, are run solely for the highest paid executives.

I believe there remain at least three advantages in obtaining Inland Revenue approval. First there is the advantage of the £5,000 CGT allowance. At the 40 per cent higher rate this represents a tax saving of £2,000; not an insignificant amount even for the highly paid, and only irrelevant for those executives who are accustomed to using up their allowance already.

Second there is the question of timing. The income tax charge on a non-approved option arises upon exercise, whereas the executive who exercises an approved option only becomes liable for CGT upon sale of the resulting shares. In my experience, it is by no means true to say that executives always sell all of their shares immediately. We should remember that these schemes are intended to encourage executives to build a shareholding in their company.

Third, in spite of relaxation of the provisions of Section 79 of the Finance Act 1972, it will still be possible for a non-approved scheme to fall into the trap of giving rise to a tax charge upon grant of an option, or at times other than upon exercise of the option, or sale of the resulting shares.

Certainly, there are some advantages in non-approved schemes. But many of these are not available to a public listed company which is constrained by its institutional shareholders to meet their guidelines in relation to employee share schemes. Moreover, such advantages must be weighed against the flexibility available to the executive holding approved options to deal with those options in a way which best suits his own tax position.

It is possible that the change in the taxation of capital gains may lead to approved share option schemes being made available to a broader band of executives, and to such executives being more likely to retain shares resulting from the exercise of options. Neither of these results would be unwelcome.

Richard Percival,
Buck Paterson Consultants,
10 Buckingham Place, SW1

FINANCIAL TIMES

Thursday March 31 1988

Decisive Connecticut win keeps Dukakis's hopes alive

THE FIGHT for the Democratic presidential nomination remained unpredictable yesterday as Mr Michael Dukakis's campaign gained pace with a victory in the Connecticut primary, agencies report from New York.

The Massachusetts governor beat Mr Jesse Jackson, the black civil rights leader, by more than two to one in a contest he had to win by a substantial margin to keep his White House hopes alive.

Mr Dukakis took nearly 60 per cent of the vote and 36 convention delegates, with Mr Jackson winning about 29 per cent of the balloting and the remaining 16 delegates.

The two men are now even with just over 600 delegates each and 2,082 needed to secure the nomination.

The victory came just three days after Mr Jackson established himself as a strong challenger for the nomination when he beat Mr Dukakis by a similar margin in Michigan.

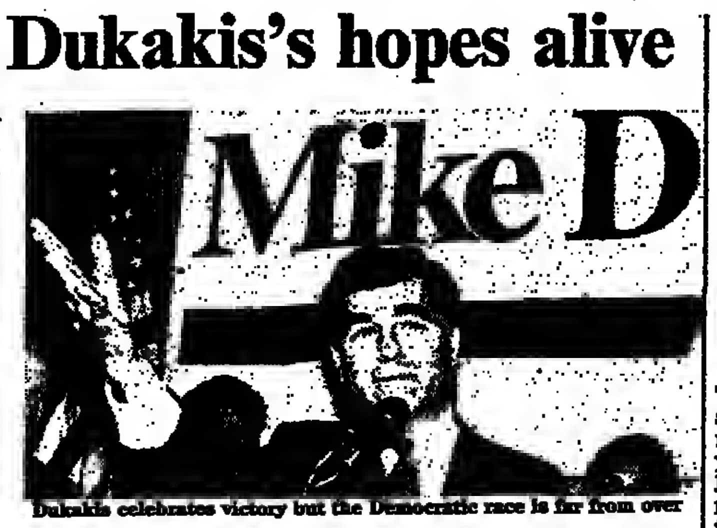
The 698 "super delegates" – the party professionals and elected officials not pledged to a particular candidate – who will attend the party's July convention could hold the key.

According to polls, Mr Jackson and Mr Dukakis are running almost even in Wisconsin which holds the next primary on April 5.

Vice-President George Bush won yesterday's Republican primary in Connecticut with 70 per cent of the vote. But the victory in the state where he grew up as the son of a prominent senator really did not matter.

His main opponent, Kansas Senator Robert Dole, dropped out of the race yesterday.

Editorial comment, Page 20



Dukakis celebrates victory but the Democratic race is far from over

Jesse Jackson's Michigan win has transformed the Democratic race, writes **Lionel Barber**

Democrats begin to think the unthinkable

SHORTLY after his landslide victory in Michigan, the Rev Jesse Jackson let it be known he had arranged a meeting in Washington with a leading figure of the Democratic Party establishment, Mr Clark Clifford, the 81-year-old former US Defence Secretary.

One breakfast spent face-to-face with Mr Clifford, one of the chief political fixers in town, does not make a presidential nominee. But it does show how Mr Jackson, having come first or second in 27 out of 37 states, has transformed himself in the Democratic race from radical black outsider to pin-striped party insider.

Through his eloquence, his crusading zeal and his unquestioned support among the nation's blacks and a small but growing proportion of whites, Mr Jackson has forced the Democratic Party to think the unthinkable: that he could win the popular vote, carry the most delegates into the national convention in Atlanta in July and even become the party's presidential nominee.

On Monday, two days after Mr Jackson's crushing two-to-one victory in Michigan over the then favourite for the nomination, Governor Michael Dukakis of Massachusetts, the shift in viewpoint was palpable. Ms Meg Greenfield, writing in the Washington Post, finally tackled the prevailing wisdom in the American press that Mr Jackson is not a serious contender for the Democratic nomination but in fact is willing to barter for something less.

"The question is what Jackson wants to do as president," declared Ms Greenfield, "not what he wants to do instead."

Congressman Richard Gephardt of Missouri, who withdrew from the Democratic race this week after coming a poor third in Michigan, went further. "I think Jesse Jackson can be nominated and he can be elected," he said.

"Like other senior Democrats, Mr Gephardt's words smack a little of self-preservation. No one wants to rip the Democratic Party apart by mounting a "Stop Jesse" campaign at this stage, not least because the delegate-rich primaries in New York, New Jersey, Ohio and California make the nomination a prize yet to be won.

In the light of his still high negative ratings among voters, the more likely trend will be greater scrutiny – even criticism – of Mr Jackson's record and his qualifications for running for president.

Crusading zeal: Jesse Jackson campaigning in Detroit for the Michigan caucuses

Mr Jackson has never held any public office. He is an ordained Baptist minister who first rose to national prominence as an aide to the black civil rights leader, Dr Martin Luther King Jr.

After an assassin's bullet cut down Dr King in Memphis, Tennessee, on April 4, 1968, Mr Jackson appeared on television in Chicago wearing a blood-stained sweater claiming he had cradled the dying preacher-politician in his arms.

His behaviour (not for the last time) was denounced as an opportunist grab for the headlines and cost him support in the civil rights movement. But with single-minded determination – which some attribute both to his illegitimacy and his modest South Carolina upbringing – Mr Jackson hustled his way back.

In the 1970s, he formed Operation Breadbasket and PUSH (People United to Save Humanity) which attempted to take advantage of President Nixon's minority set-aside programmes. At times, PUSH looked less a political movement and more a shake-down operation, particularly when big white-run corporations – faced with a Jackson-inspired black purchasing boycott – handed out distribution contracts to some of his friends.

Mr Jackson's campaign platform reflects the economic struggle of America's 28.6m blacks, many of whom have found it hard to capitalise on the political gains made through the civil rights movement.

With its emphasis on government intervention in the economy, much-expanded social programmes, cuts in military spending and a new relationship with the Third World, it would roll back the dominant themes of President Reagan's two-term administration.

President Jackson would stop the Star Wars missile defence programme, introduce laws to prevent companies closing factories and investing in cheaper labour abroad, boost pre-natal care, double the $20bn Federal education budget, and offer universal Federal health insurance.

Though often vague on specifics, Mr Jackson says he would pay for these programmes by raising corporate taxes and imposing a $10-a-barrel oil import tax.

On foreign policy, he would ask Western Europe and Japan to pay more for its defence, he would stop US aid to the Nicaraguan Contra rebels, and he supports a Palestinian homeland that would co-exist with Israel (a modification of his outright hostility to the Jewish state in the 1984 campaign).

The resemblance to the 1984 Jackson campaign is minimal. Having extended his "rainbow coalition" of ethnic minorities to embrace whites, particularly in the labour unions, Mr Jackson has broadened his appeal and, to a degree, moved to the centre.

The obstacles to Mr Jackson securing the nomination remain high, if only because he must attract more white voters in big states such as California, New Jersey and Pennsylvania, which do not match the picture of economic decline he often paints of America.

But Mr Jackson's message goes beyond material poverty to the spiritual, and that is something his Democratic rivals have yet to match.

Editorial comment, Page 20

Meese faces growing calls for resignation

BY LIONEL BARBER IN WASHINGTON

MR EDWIN MEESE, the US Attorney General, yesterday faced growing calls for his resignation over what appears to be a widening criminal investigation into his financial affairs and conduct in office.

Senator Robert Byrd of West Virginia, the Senate majority leader, echoing calls by many Democrats, said Mr Meese was "the crown jewel in the sleaze factor of the Reagan Administration. He ought to get out."

However, the White House continued to express full confidence in Mr Meese. "President Reagan thinks the Justice Department is operating just fine," said the chief White House spokesman, Mr Marlin Fitzwater.

On Tuesday, two top Justice Department officials and four of their aides resigned in a move that Administration officials attributed to concern that the investigations on Mr Meese were damaging the department.

Mr Arnold Burns, the deputy Attorney General, and Mr William Weld, head of the department's criminal division, expressed their concern to Mr Howard Baker, the White House Chief of Staff.

When told that Mr Reagan would not back attempts to dislodge Mr Meese, a political ally and friend for more than 20 years, both men resigned.

Senator Strom Thurmond of South Carolina, one of the most conservative and senior Republicans in the Senate, issued a statement saying he was "greatly concerned" about morale at the Justice Department.

Mr Meese is the subject of criminal inquiries into his role in helping the Wedtech Corporation, a scandal-wracked New York City defence contractor, win Pentagon contracts.

In a separate case, an independent counsel is examining his involvement in promoting within the Administration a private-sector plan to build a $1bn Iraq-to-Jordan pipeline.

The Washington Post reported yesterday that the independent counsel, Mr James McKay, had subpoenaed records of Mr Meese's wife, Ursula, dating back to 1981 when she came to Washington.

According to the report, Mr McKay is seeking to establish whether Mr Meese's close friend Mr Robert Wallach had helped supplement the Attorney General's income by recommending Mrs Meese for jobs funded by tax-free foundations.

Mr Wallach – who has already been indicted on fraud and racketeering in the Wedtech case – is a central figure in the pipeline investigation.

Mr Meese is also under investigation because he lifted court-imposed restrictions on America's seven "Baby Bell" telephone companies while he and his wife owned about $14,000 in stock in the businesses which were created by the break-up of AT&T in 1984.

Volvo buys Leyland Bus in cash deal

Continued from Page 1

because "while I knew we could survive in the short-term, I was not sure that we could provide the investment needed for the future."

Mr Ernst Knappe, a senior vice-president of the parent Volvo group, said there would be "substantial investment" in Leyland Bus, whose 1,850 remaining jobs would be secure.

Mr Knappe is taking over the chairmanship of Leyland Bus and Mr Larserik Nilsson, president of Volvo Bus Corporation, will be its managing director until a permanent replacement can be found.

Leyland Bus, whose workforce has fallen to its present level from around 5,000 at the start of the 1980s, has production plants at Farington, Lancashire, and Workington, Cumbria.

It produced 1,400 buses last year and expects to make 1,750 in the current year, rising to 2,000 in 1989.

Production of Leyland buses would then be supplemented in 1990s by output of 1,000 Volvo bus and coach chassis per year.

BAe makes special Airbus loss provision

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON

BRITISH Aerospace (BAe), fresh from its agreement with the UK Government on the takeover of Rover Group, the state-owned automotive concern, has had to make a £320m ($596.4m) special provision in its accounts to cover potential losses up to 1991 on civil aircraft manufacture, especially the European Airbus.

As a result, although BAe in 1987 earned a pre-tax profit of £161m against £162m in 1986, its overall result after tax and the special provision was a net loss of £110m against a profit of £84m, said Professor Roland Smith, BAe chairman, who presented the group's accounts for 1987.

Prof Smith also made an unprecedented public criticism of the way in which Airbus is run and called for a major shake-up of its management and financial accountability.

He said BAe's losses on civil aircraft work amounted to £58m on a turnover of £753m, against a loss of £8m on a turnover of £762m in 1986.

BAe losses on Airbus work last year amounted to £38m. The rest of the losses were mostly on the Type 146 regional jet airliner and the Advanced Turbo-prop aircraft.

But BAe believed that for the immediate future, civil aircraft, and especially the Airbus, would continue to be unprofitable. Of the £320m special provision, £180m covered anticipated losses on Airbus work up to 1991.

Prof Smith said BAe was bringing "intense pressure" on the UK Government to achieve "fundamental changes in the structure and financial arrangements of Airbus Industrie."

He described Airbus as currently run in "a loose-limbed, undesirable and unaccountable way."

Prof Smith emphasised, however, that while it was not good for the UK economy to have a stake in an organisation such as that, BAe had no intention of quitting the consortium, which had now won a major share of world airliner markets.

"But we want to see it made more efficient," he said, "and that is where we are concentrating the effort. The business wants managing."

BAe had limited room for manoeuvre because the UK Government was the primary shareholder, he said, although the 20 per cent stake was managed by BAe.

"But we are expressing very considerable personal anxiety and concern," he said.

BAe accepted that little could be done until the "Four Wise Men," currently studying the whole financial structure of Airbus reported, probably in April.

● Lord Young, UK Trade and Industry Secretary, said yesterday he was confident the European Commission would approve the BAe takeover of Rover.

Lex, Page 22; Details, Page 28

Moscow airliner development

Continued from Page 1

with the East is regarded as a serious impediment to aircraft collaboration.

Cocom is now processing an application by Airbus Industrie to sell two wide-body Airbuses to East Germany, in what Mr Vogels said could represent a "breakthrough" into the East European market. McDonnell Douglas and Boeing are also believed to have lodged a Cocom application over possible East German sales, Mr Vogels said.

The Cocom vetting procedure will centre above all on the possible military use of electronic systems and aero-engines on the Western airliner types.

Mr Heimrich Machowski, a Soviet trade expert at the German Economic Institute (DIW) in Berlin, said Cocom would be a severe obstacle to aircraft co-operation with Moscow.

World Weather

Readings at mid-day yesterday
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Sterling in sharp rise

Continued from Page 1

against inflation, a reinforcement of it," he said.

The Chancellor said that this fall represented a weakening in the battle against inflation which had had to be compensated for by the use of interest rates, the Government's prime tool of monetary policy.

He said that industry had got used to the pound falling against the D-Mark over that period. However, he reiterated that it was important for industry not to think that this would always be the case and that it could therefore afford to let costs get out of control.

In London yesterday, sterling closed unchanged on its Bank of England trade-weighted index at 77.7 as markets waited for Mr Lawson to speak. Against the dollar, it closed at $1.8700 and ended at DM3.1125 against the West German currency.

The dollar was supported by reports of intervention by the Bank of Japan in Tokyo and the Federal Reserve in the US. Traders were comforted by confirmation that Japanese insurance companies had no plans to sell off dollars. In London it closed at DM1.6640 and Y125.00.

THE LEX COLUMN

Reading too much into it

The market has got itself into such a muddle over the Government's exchange rate policy that yesterday's statement from Mr Lawson was seized npon as a major change of stance. In putting the rise in the pound in the context of the fight against inflation, he was apparently uttering a platitude; but the remark sent sterling above DM3.12 as the news spread that the battle of the pound had been won by the Prime Minister.

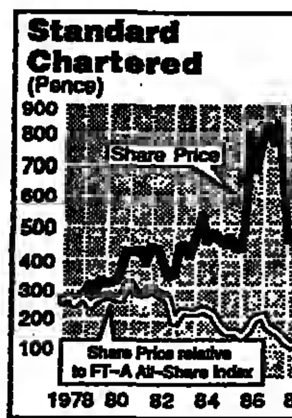
While exchange rate policy has certainly changed since Lawson championed the managed float at the Mansion House last year, yesterday's testimony uncovered nothing new. The Chancellor, the Prime Minister and the Bank of England seem to have reached a compromise. Lawson was repeating what Leigh-Pemberton said on Monday: the aim is a stable pound within the confines of an anti-inflationary strategy.

In practice, that means letting the pound through DM3 when keeping it there would mean progressive reductions in interest rates. Similarly, it implies letting it move above DM3.10 when one cut in base rates has already proved powerless to hold it there. The initial cut to 8.5 per cent was permissible as it followed a 10 pfennig rise in sterling and a fall in the oil price. But to cut rates again now on the basis of a smaller sterling move and an oil price rise would make nonsense of those grand anti-inflationary intentions. Moreoever, the vision of the building societies preparing to follow the Halifax with a general cut in rates can only strengthen the Government's resolve.

The next intervention level almost certainly lies nearer 3.15 than 3.12, and may be higher still. Wherever it is, the market will doubtless find out soon enough. Not only is it so infatuated with sterling that it can happily forgive the deepening trade deficit, but the weakness of the dollar can only push it the same way.

British Aerospace

British Aerospace's £320m write-off may be small potatoes compared to what it is getting with Rover, but it is a reminder of why BAe might have wanted Rover in the first place. Even after future losses on the civil programme have been provided for, there seems little prospect of growth in the next few years. The picture is still obscure enough to make forecasts very tentative, but pre-tax profits this year of towards £200m would still put the shares on seven times earnings – scarcely attractive in view of the risks of a squeeze on the military side and the uncontrolled costs of Airbus.



For bulls of the stock, of course, Rover changes all that. Within the market's time horizons, that might be true. Rover would be very unlucky not to produce more this year in operating profits than the interest BAe could earn on the £150m purchase price, and, since Rover comes debt-free and stuffed with tax losses, its operating profit goes almost straight to earnings per share. Hence the prospective p/e of 4 which the market has fixed on, and which is taken to accommodate the risk of Rover going wrong. Shareholders who disagree with that can take little comfort from the fact that the shares will be more vulnerable again if the deal falls through.

Standard Chartered

Standard Chartered may well boast that the sun never sets on its round-the-world banking empire, but it certainly seems to be getting rather low on the horizon. A £274m pre-tax loss for 1987 and a significant decline in net interest margins on the underlying banking business, coming after a six-year profit plateau, underline the scale of the problems facing the new management team; that may also explain why the shares could only manage a 5p rise to 448p yesterday, despite the decision to hold the 35p dividend.

The group's problems have already been well rehearsed. With shareholders' funds of £717m and £1.8bn of unreserved Third World loans, Standard Chartered's capital ratios are in urgent need of repair, even after the sales of the US banking subsidiaries are completed. In addition, it has three large shareholders – accounting for 38 per cent of the equity – whose long-term ambitions for the group may not always square with those of the management. The group could restore its capital strength by shrinking its business even more drastically than it has done already, but it does not sound like this is a path it intends to pursue.

Instead, Standard Chartered presumably will soon be asking its shareholders for upwards of £200m to pay for its past mistakes. A large part of that will go towards paying future dividends, and it will be a measure of the group's willingness to solve its long-term problems if it finally decides to trim its payout to more sensible levels.

Maxwell/United

Logic might suggest that the head of something called the Maxwell Communication Corporation would be more than normally skilled in the art of communication. But Mr Robert Maxwell is no slave to expectation, in this or in any other area. As recently as New Year's Eve he was trumpeting his foresight in the matter of the market's October fall; but to judge from yesterday's figures, that did not stop him from losing something between £10m and £40m in the crash. The exact extent of his second half losses is impossible to discern from the year-end figure of £47.6m of profits from "other activities". But the fact that this figure nonetheless represented 29 per cent of total pre-tax profits fuelled all the old worries about quality of earnings.

The quality of the other 70 per cent of MCC's earnings looks unassailable, though. Electronic publishing should rise from next to nothing to become a significant profit centre this year, while margins on the US printing business should be impressive. And who could quibble with the overall strategy of building a global information and communications business? Indeed, if there were a bit more information and communication in evidence, the City might not even be so tempted to try.

United Newspapers, though firmly on the right side of the analysts, still managed to be slightly the wrong side of a nervous market. But major cost benefits are on the horizon from United's Fleet Street battles, and earnings per share growth looks strong through the end of the decade.

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday March 31 1988

Texaco stock price rises for second day as arbs smell blood

BY JAMES BUCHAN IN NEW YORK

STOCK IN TEXACO rose yesterday for the second day amid mounting excitement on Wall Street that the giant oil group, which is about to lose bankruptcy protection, will be drastically restructured or even sold.

Word that one of Wall Street's most powerful investment partnerships owns a big block of the crippled company sent Texaco's share price up $⅝ to $48¾ yesterday morning, as professional takeover speculators – known as arbitrageurs – snapped up stock for the second day running.

"As of now, Texaco is an arbitrage stock," said a jubilant arb yesterday morning.

The heavy two-day trading, which has pushed Texaco's market value up almost $1bn as 5m shares changed hands, follows the startling announcement late on Tuesday that Kohlberg Kravis Roberts owns 4.92 per cent of the company.

The stake was built up, with great secrecy, when Texaco was trading at little over half yesterday's prices last autumn.

Kohlberg Kravis, which is preeminent is the business of helping managements buy their companies in so-called leveraged buy-out, joins an eager pack of investors baying for the bust-up or sale of the once-mighty oil group as soon as it emerges from bankruptcy on April 7.

At the head is Mr Carl Icahn, e New York investor who already stands to make profits of $700m on his 14.8 per cent holding.

Mr T. Boone Pickens, another corporate raider, is also believed to have e small stake, while big pleyers in the oil industry – ranging from Husky Oil of Canada to the governments of Saudi Arabia and Venezuela – have expressed interest in Texaco assets such as refineries and oilfields.

Analysts and arbitrageurs say it is now all but impossible that Texaco, which was plunged into bankruptcy by the largest damages award in history, can survive in a recognisable form as the No. 3 US oil company.

Mr Carl Icahn, the New York investor, stands to make profits of $700m on the 14.8 per cent he holds in Texaco

There was speculation yesterday that Texaco's management may seek KKR's financial backing to buy the desperately vulnerable company

"It might be preferable for Texaco's managers to do e deal where they can still run the company," said Mr Philip Dodge, an analyst at Nomura Securities on Wall Street.

Texaco itself helped confirm the speculation, by applauding Kohlberg Kravis's reputation for working closely with management.

The partnership, founded by three former dealmakers from Bear Stearns in 1976, controls $6bn pool of equity capital put in by professional investors.

The firm has taken more than 30 companies private, including such big names as Owens Illinois,

Although Kohlberg Kravis could probably afford to buy the company, Texaco has made deals with its creditors (including the tax authorities) which limit the amount of debt it can carry, even in a leveraged buy-out.

But Wall Street believes these so-called net worth covenants can be renegotiated.

INTERNATIONAL BANKING GROUP HIT BY BAD OVERSEAS LOANS

Standard Chartered posts £274m profits loss

BY DAVID LASCELLES, BANKING EDITOR

STANDARD CHARTERED, the troubled international banking group, reported a £274m ($493m) pre-tax loss for 1987 yesterday because of bad debts in overseas markets. But, contrary to some expectations, it did not cut its dividend. This produced a 5p rise in its share price which ended the day at 448p.

The bank incurred heavy losses in several countries, particularly Malaysia and Canada through mounting bad debts and poor management.

However, it also set aside £520m to cover its £2.5bn exposure to countries in financial difficulty.

Sir Peter Graham, chairman said 1987 "was not e good year. But it was more than that. It was a year in which we addressed our problems."

He predicted that "1988 will be a year of progress."

The results have come four weeks after it was announced that Mr Rodney Galpin, the Bank of England's executive director in charge of banking supervision, will take over as executive chairman in July when Sir Peter retires.

Mr Michael McWilliam resigned as Standard chief executive at the beginning of this month.

Sir Peter stressed yesterday: "This business is being run by Standard Chartered executives, not by the Bank of England as some people have suggested."

The debt provisions amounted to 32 per cent of Standard's loans to 28 developing countries, Sir Peter said. That was at the high end of the Bank of England's "matrix", or guideline.

Standard had also provided against 8 per cent of its loans to four developed countries, including South Africa where the group has loans of £634m with a 5 per cent provision.

Standard was following the course set by the other UK clearing banks earlier this year when they made provisions of £3.5bn for sovereign debts.

Standard's provisions are roughly in line with theirs.

According to Sir Peter, Standard has also taken steps to strengthen its management, improve its credit controls and raise efficiency levels.

Standard's board held a long debate over whether to cut the dividend in light of the group's losses and its severely depleted capital resources.

Sir Peter said the decision to maintain the pey-out was based on the strength of Standard's underlying business and the directors' confidence that this year would see a substantial improvement in the group's fortunes.

However, he admitted that Standard's capital ratios were well below levels required by the Bank of England and he said steps would be taken this year to bring them up to acceptable levels.

This might include a rights issue in the latter part of the year. He declined to name a figure, but Standard is believed to need about £300m, of which £200m would have to come from the shareholders, with the rest from retained earnings and other measures.

Sir Peter said Standard's programme of "selling the family silver" to raise cash was over.

By the time the sale of its US subsidiaries is completed later this year, the group will have realised nearly £800m from asset disposals.

Standard's problems stem from a combination of bad loans and the uncertainties resulting from the failed takeover bid by Lloyds Bank in 1986.

At that time, Standard acquired two major shareholders in the persons of Sir Y.K. Pao, the Hong Kong shipping magnate, and Mr Robert Holmes à Court, the Australian entrepreneur, who have just under 15 per cent each.

They had been "very supportive," Sir Peter said.

Murdoch in US court victory on ownership

By Our New York staff

MR RUPERT MURDOCH, the international media magnate, has won a court victory enabling him to retain ownership of the Boston Herald newspaper against the wishes of Senator Edward Kennedy.

The Circuit Court of Appeals in Washington ruled as unconstitutional legislation written by Senator Kennedy and passed by Congress late last year.

The law strengthened rules banning ownership of newspapers and television stations in the same city.

Before the senator's initiative, Mr Murdoch had been eble to hold on to the New York Post and the Boston Herald despite owning television stations in both cities, thanks to e series of temp orary waivers from the Federal Communications Commission.

The Kennedy legislation, which was tacked on to the federal government's spending authorisation for 1988, was passed by Congress almost unnoticed at the end of last year.

It did not mention Mr Murdoch by name bnt was so tightly defined it could only epply to him.

Once the impact of the law was widely appreciated, Mr Kennedy was sharply ettacked from some quarters for the content of the law and tactics he used to pass it.

Mr Murdoch was forced to sell the loss-making New York Post for $37m shortly before his waiver expired in earlier this month.

The latest ruling, which will not affect the Post's sale, will enable the FCC to grant Mr Murdoch another waiver for Boston before the present one expires at the end of June.

The court overturned the Kennedy law because it was aimed specifically at one person, denying him the constitution's guarantee that all people are treated equally.

NY state agency in $960m bid for Lilco

BY OUR NEW YORK STAFF

LONG ISLAND Lighting (Lilco), the electric utility serving 2.7m suburban New Yorkers, has received e $960m takeover offer from a state agency. If successful, it would rank as the largest US public sector power acquisition in more than 40 years.

Long Island Power Authority, set up two years ago by the state government with the express purpose of taking over Lilco, said the total transaction would be worth $7.45bn, including items such as redemption of Lilco's debt and purchase of its preferred shares.

LIPA would finance the deal with the sale of tax exempt bonds. The offer brings to a head Lilco's long and bitter fight with state regulatory authorities and troubled relations with its customers.

In setting up LIPA, a majority of the state assembly said Long Islanders and politicians had lost faith in Lilco's ability to provide electricity safely and economically. The root of Lilco's problems is its Shoreham nuclear power station which, after an investment of $5bn over the past 23 years still lacks an operating licence.

State regulators have begun denying the utility rate increases to cover the costs and it is being forced to take a $1.35bn write-off this quarter.

The Lilco board began considering LIPA's offer yesterday.

Earlier this year, Public Service of New Hampshire sought protection of the bankruptcy courts because of the burden of its 35.6 per cent stake in the Seabrook nuclear power plant.

LIPA's offer of $8.75 per Lilco common share drew a distinctly cool response on Wall Street where the shares were trading unchanged at $9⅞. Lilco's book value at December 31 was $29.71 per share.

Eskom earnings decline despite boost in sales

By Jim Jones in Johannesburg

ESKOM, South Africa's state-owned electricity utility, lifted sales to R7.05bn ($3.33bn) last year from R5.85bn, but e greater rate of increase in operating costs and finance charges left net profits lower at R702m compared with R781m.

Eskom is an early candidate for privatisation but Mr John Maree, the chairman, said in Johannesburg yesterday that a sell-off was unlikely this year.

Executives had just returned from the UK where they met British banks and privatised companies. They said no adviser had been appointed and they declined to elaborate on the talks.

Consumption increased 4.4 per cent in 1987 to 122.5bn kilowatt hours.

Eskom expects demand to continue to rise at between 4 per cent and 5 per cent for several more years.

First City modifies terms of debt tender

BY RODERICK ORAM IN NEW YORK

FIRST CITY Bancorporation has modified the terms of its debt tender offer on which hangs e $1.5bn recapitalisation of the deeply-troubled Houston bank holding company.

First City said it would accept a minimum of 70 per cent of $225.8m of four eeries of long-term notes at between 35 and 45 cents on the dollar.

It had failed to reach its previous minimum of 90 per cent because Wall Street arbitrageurs have been holding out for a better deal.

So far, it has received 62 per cent of the debt but some Wall Street traders wondered if the lower threshhold might encourage some debt holders to reclaim their paper.

The untendered notes will continue to be honoured after the recapitalisation.

Carrying interest rates as high as 13¼ per cent they could offer investors an attractive return and capital appreciation if the rescue is successful.

The interest charges on the higher proportion of outstanding notes will be borne by creditors and shareholders of a new bank into which First City will place its bad loans.

The latest change in terms for the offer, which expires on April 12, appears to be a small victory for the arbitrageurs.

Mr Robert Abboud, Chicago banker leading the recapitalisation, said their would be no further changes to the rescue plan.

If the plan fails for lack of a larger enough tender of debt, the bank's fate would be in the hands of federal regulators.

The Federal Deposit Insurance Corporation, which is contributing funds to the recapitalisation, would probably be faced with a full-scale bail ont, analysts believe.

INTERNATIONAL COMPANIES AND FINANCE

Hoechst forecasts continued progress

By Andrew Fisher in Frankfurt

HOECHST, the West German chemical group, is set for further profits growth in the first half of 1988 after an improvement last year which stemmed from the first-time contribution from Celanese of the US.

The group said the favourable business growth of the 1987 last quarter had continued into the opening months of 1988. Thus in the first half, it expected "pleasing growth." Even if business weakened in the second half, "we are confident that 1988 will be another successful year."

Group pre-tax profits last year were 10.4 per cent higher at DM3.1bn ($1.8bn). Stressing its strong showing in the US, Hoechst said its other subsidiaries also mostly maintained or increased profits. Turnover was 11.2 per cent higher at DM37bn. Abroad there was a 17 per cent gain to DM27.7bn.

Excluding the Celanese fibres, plastics and chemicals concern (part of Hoechst since March 1987), group sales rose by 5 per cent in volume terms. But since prices were 2 per cent lower and the currency translation into the strong D-Mark deducted a further 6 per cent, turnover showed a 3 per cent decline without the US acquisition.

Hoechst said turnover was higher in plastics, foils, paints and surface coatings.

Last year's results of the parent company, reflecting domestic business and exports, showed a 1.6 per cent fall in turnover to DM13.9bn and a 0.7 per cent drop in pre-tax profits to DM1.7bn.

Georg Fischer pays extra

By Our Zurich Correspondent

GEORG FISCHER, the Swiss engineering group, is stepping up its dividend for 1987 following an increase in parent company net profits from SFr12m to SFr13.9m ($10.1m).

The dividend is going up from SFr30 to SFr33 per bearer share and from SFr6 to SFr6.60 per registered share and participation certificate. Group sales were SFr2.09bn, against SFr1.97bn.

October crash triggers Deutsche Bank slide

BY HAIG SIMONIAN IN FRANKFURT

DEUTSCHE BANK, West Germany's biggest bank, ended 10 years of consecutively rising profits with a sharp setback last year. The results come as a blow to the bank and to Mr Wilhelm Christians, its co-chief executive, who is retiring in May.

Full group operating profits, which are not disclosed but include gains from own-account trading, fell almost 33 per cent, putting them on a par with their 1984 level. Partial operating profits, which exclude own-account gains, dropped nearly 16 per cent to DM2.5bn ($1.5bn). Group after-tax earnings fell 37 per cent to DM670m.

The decline, triggered largely by October's crash and subsequent write-downs in the bank's equity positions, is even sharper at parent bank level, where the cushioning effect of subsidiaries, such as its successful mortgage-banking operations, is excluded.

Full operating profits for the parent bank plunged 41 per cent, while partial earnings were 23 per cent down to DM1.5bn. All the figures are adjusted to exclude the one-off gain made in 1986 from floating the former Flick group.

Mr Christians took pains to emphasise the bank's quality and continued earnings potential. Despite the drop, its 1987 profits were "still satisfactory," he said.

Capital and reserves amount to about DM11bn, while core capital ratio stands at 4 per cent at group level and 5.9 per cent for the parent bank. Moreover, provisions for sovereign risks have been increased and amounted to 76 per cent at the end of 1987, against about 70 per cent before.

The bank is paying an unchanged DM12 dividend, which will also count for equity issued in a rights offer last June.

Deutsche Bank has not yet decided on whether to move into insurance. The matter was still under deliberation, and a decision would not be taken in the first half of this year.

The extent of the write-downs on securities has not been revealed, but among sizeable holdings on the books were shares in Continental, the German tyre group, and in Fiat of Italy. Mr Christians noted that the bank also suffered through supporting the German equity market after the October crash.

Tettamanti grouping buys 55% of Saurer

BY JOHN WICKS IN ZURICH

A CONTROLLING 55 per cent shareholding in Adolph Saurer, the Swiss engineering group, has been acquired by Mr Tito Tettamanti, the Lugano-based lawyer, who heads a consortium which for some months has been stalking Sulzer Brothers, another Swiss engineering company.

It was not clear whether the Saurer move represented a switch of investment direction by the Tettamanti consortium or an attempt to strengthen the Tettamanti hand in any future negotiations with Sulzer. The consortium controls about 35 per cent of Sulzer's voting capital.

Last year Sulzer blocked the consortium's participation in company decisions by placing stringent restrictions on share registration. In recent months there have been discussions with Mr Tettamanti, although talks broke down last week after disagreement on the price at which *at least 10 per cent of the consortium's* shares were to have been sold to investors approved by Sulzer.

Mr Tettamanti also objected to the fact that the prospective buyers – Winterthur, the insurance group, the Zurich Cantonal Bank and Sulzer's own pension fund – were not industrial companies.

At the time he indicated that he was negotiating with an unnamed industrial company. This is now recognised as Saurer. Mr Tettamanti is understoood to have bought 223,000 Saurer voting shares, out of a total of 408,000, from a group of Swiss private investors.

Saurer has recently undergone a big re-structuring. It moved back into profits last year, turning parent company losses of SFr1.26m into net earnings of SFr500,000. ($366,000 m).

Turnover for 1987 dropped from SFr437m to SFr336m following the withdrawal from weaving machinery and the disposal of a French unit. Saurer's business centres on textile machines, commercial vehicle spare parts and maintenance and metallurgical surface treatment.

Sulzer produces textile machinery. Last month it announced it had been holding talks with several potential industrial partners in Switzerland including Schindler, the lift-maker.

Tettamanti aides said the Saurer transaction meant Saurer was interested in "solutious which would contribute to the stabilisation of ownership and conseqently the further development of industrial activities."

GBL declines 12% after setback in US

By William Dawkins in Brussels

GROUPE BRUXELLES Lambert, Belgium's second largest financial and industrial holding group, yesterday reported an unexpected 12 per cent decline in profits for 1987.

The group, run by financier Mr Albert Frère, produced a BFr5.7bn ($164m) consolidated profit net of minority interests in 1987, down from BFr6.5bn in the previous year. Only last September the group reported a BFr5.2bn profit for the first half, a slight increase, and cautiously forecast another rise for the full 12 months. In the event, profits in the second half tumbled to Bfr500m.

Analysts yesterday attributed the setback to a decline in earnings from Drexel Burnham Lambert, the company's US investment banking affiliate, the costs of defending Royale Belge, Belgium's largest insurance company, against an unfriendly takeover approach, and the cost of mounting a joint takeover with Tractebel, the Belgian utility company, of Coutibel, the UK energy group.

Non-consolidated profits, however, rose from BFr3.4bn in 1986 to BFr4.3bn last year – before a transfer of BFr 881m to non taxable reserves. That represents an improvement in earnings from BFr200 per share to BFr249.

GBL is proposing to raise the dividends on ordinary shares by 5 per cent from BFr160 to BFr168 gross, with higher increases for three other special classes of share issued to take advantage of tax incentives for private investment. The annual shareholders' meeting is to be on May 31.

Hoogovens optimistic despite loss

By Our Financial Staff

HOOGOVENS, THE Dutch steel group which is 15 per cent owned by the state, has fallen into the red for 1987, but expects to return to profit in 1988.

Against a net profit of Fl 154.6m in 1986, the company has slipped to a loss of Fl 76.4m ($41m), of which Fl 68.5m was incurred in the first six months. It will not pay a dividend: last time Fl 1.50 a share was paid.

This year sales have begun to recover and selling prices for some products have shown a clear improvement. However, Hoogovens says there are risks of a downward trend in the second half due to currency uncertainty and the probable termination of the European steel quota system.

Stet talks with AT&T 'at an advanced stage'

BY ALAN FRIEDMAN IN MILAN

STET, THE Italian state telecommunications company, is in an "advanced, but not conclusive" stage of negotiations for a European alliance with American Telephone & Telegraph (AT&T), according to Mr Romano Prodi, chairman of IRI, the state holding group which controls Stet.

IRI, which has been seeking an international telecom partner since the Fiat group withdrew last year from a planned joint venture with Stet, has already received what Mr Prodi yesterday called "concrete offers" from Siemens of West Germany, Ericsson of Sweden and Alcatel of France.

In Rome political circles the prospect of an accord with AT&T is being given better chances than other options. IRI and Stet are evaluating the four different proposals which would focus on a joint venture between Italtel, Stet's telecommunications equipment maker, and the foreign partner chosen.

Mr Carlo de Benedetti, the Olivetti chairman, was quoted on Tuesday as saying there were three-way talks on the issue among Stet, Olivetti and AT&T - the US telecommunications group owns 23 per cent of Olivetti.

Mr Prodi said that while it was possible that Stet could eventually seek to acquire a minority equity stake in Olivetti, of up to 10 per cent, this was "a separate matter which should not be confused with the negotiations under way between Stet and AT&T."

Mr Prodi predicted a choice of a foreign partner for Stet would be made before July.

Kluwer raises earnings by 16% to Fl 89m

By Our Financial Staff

WOLTERS KLUWER, the big Dutch publising group, has increased net profits by 16 per cent to Fl 88.9m ($47.7m) for 1987 and confidently predicted further growth for the next three years.

The group said it was aiming at a profit margin of 7 per cent *for 1990, compared with 5.3 per* cent in 1987. It added that net profits per share were expected to top Fl 11, against Fl 7.69.

By 1990 Wolters said that sales were likely to be around Fl 2bn. Last year group turnover rose 4.5 per cent to Fl 1.65bn.

The company plans to pay a dividend of Fl 2.60 a share. Wolters was formed in 1987 following the merger of the Kluwer and the Wolters Samsom groups.

INTERNATIONAL COMPANIES AND FINANCE

Petrolube begins Saudi oil reshape

By Finn Barre in Riyadh

A REORGANISATION of the Saudi oil industry has begun with Petrolube, the lubricating oil offshoot of the state-run Petromin, acquiring Petromin's lubricant blending plant in Jubail.

The facility, known as Saudi Lube, produces 1m barrels a year of lubricating oil and grease. Petrolube, in which Mobil of the US has a 29 per cent minority share, already operates blending plants in Jeddah and Riyadh with a combined capacity of 1m b/y.

In addition to buying Saudi Lube, Petrolube will take over various lubricant handling and marketing divisions of Petromin. The consummation of the deal took place only after long negotiations to determine equity participation and the value of the absorbed divisions. The price has not been released for the acquisition, which Mr Ahmed Al Khereiji, Petrolube's general manager, describes as a leveraged buyout.

The moves are only part of a plan to restructure Petromin and the kingdom's entire oil industry. In the process, changes will take place both at Petromin and the Arabian American Oil Company (Aramco).

It is expected that Aramco will continue managing all oil and hydrocarbon production. It may also assume all overseas sales duties. Petromin will be changed into a holding company presiding over three operating divisions – lubricants, refining and domestic marketing.

So far, Petrolube is not merging with Luberef, the Petromin-Mobil base oil refining venture. Luberef will award a contract for its second refinery in June. It is not clear if Luberef will become part of Petrolube or of the Petromin refining division.

This refining side may take over as many as six oil refineries which involve joint ventures with Shell as well as Mobil. A seventh facility, operated by Aramco at Ras Tanura, could also be incorporated.

Petromin also has a minerals division which includes Mahad Ad-Dahab, the legendary gold mines of King Solomon. There are suggestions that the minerals division will be spun off and privatised. Other fragments of Petromin may also be offered to the public.

Gordon Cramb on the ambitions of a fast-growing Bahrain bank

Investcorp now turns to Europe

INVESTCORP, the Bahrain-based investment bank which has led a string of prestigious corporate buyouts in the US, is strengthening its London presence in order to gain a bigger role in Europe.

From next month six of its 14 management committee members will be based in the UK. This comes with the relocation from its Gulf headquarters of Mr Michael Merritt and the recruitment of Mr Paul Soldatos, former head of Manufacturers Hanover's British buyouts unit.

Two notable deals in Europe last year have set the pace for an activity which Investcorp expects to increase. It is the largest institutional participant in International Leisure Group, holding 12 per cent of the Air Europe and Intasun operator which was taken private by Mr Harry Goodman in a £157m ($293.6m) buyout last May.

Two months later Investcorp was chosen by the French commercial courts to rescue Chaumet, the glittering but bankrupt Paris jeweller, paying upwards of FFr270m ($48m).

Investcorp, founded in 1982 as a conduit for private Arab investment in Western industry, takes medium-term equity positions in a handful of companies annually, content with realising its holdings over three to seven years. It is also involved in property, fund management, and small-scale money market trading.

With the resale proceeds of earlier purchases now starting to flow strongly, net profits for last year jumped 89.9 per cent to $28.8m, producing a return on assets of 5.9 per cent.

While deals in the US will continue – last week Investcorp arranged the $160m acquisition of Burnham Service, a Georgia electronics shipper – the company says that Europe offers in many ways greater attractions.

Burnham was its first public tender offer, an agreed purchase which threatened at one stage to turn into a contest as a potential rival bidder emerged for the Nasdaq-quoted company. Investcorp does not relish such battles, which Mr Merritt says consume too much of its time.

Good opportunities in North America, the bank believes, are being limited by the ubiquity of rival intermediaries scouring the corporate terrain there for bid openings. Investcorp shares what it sees as a European discretion and a distaste for auctions.

Also, it expects to benefit from greater cross-border merger activity as the unified Community market nears reality in 1992. This is despite its own non-EC parentage. Mr Nemir Kirdar, Investcorp's Iraqi chief executive, heads a largely American management while its 12,000 shareholders are nearly all wealthy private investors in the Gulf.

The group argues that as it is not trying to build an industrial empire for itself, it should prove a more acceptable purchaser both to the vendors of a family business and the antitrust officials who would vet such a deal.

For Chaumet, Mr Merritt says the Paris authorities cleared all regulatory requirements within 48 hours, and adds: "There is a 200-year-old company that is as French as you could find. It may have been an advantage that we were not a competing French group."

Whether the view of Investcorp as a compatible partner "may include nationality, it seems much less important than, Can we run the company?"

In its short existence Investcorp had already pretty much answered that question. In 1984 it underwrote a $135m management buyout of Tiffany, the New York jeweller, floating the former Avon Products company last May on the New York Stock Exchange, where it is now valued at some $225m.

Typically, the involvement of the Bahrain institution went further than just taking a turn on its investment. The bank organised the refinancing of Tiffany's debt, arranged a $66.5m sale and leaseback of its Fifth Avenue flagship store, and expanded the business to London and Munich.

Investcorp clearly has an eye for glamour, but other deals have taken it into industries as diverse, and prosaic, as flow controls, aluminium extrusion, dairy products, and timber. Mr Merritt lists his criteria as strong cashflow, good management, and a name, niche "or some other value which goes beyond something one can see easily on a balance sheet."

The group avoids both oil and gas and high technology as too specialised, and the financial sector because its operating assets can too easily "get up from their desks and walk out."

ARAB INSURANCE Group (Arig), which is based in Bahrain, is to open a Hong Kong branch in order to expand its coverage into Asia, Our Financial Staff writes.

Net profits at Arig dropped by nearly a third last year to $15.1m from $22.5m as the stock markets collapse "significantly reduced the company's investment income." Premium income rose 31.2 per cent to $157m. This was despite weak market conditions, which it said would persist this year.

Email pulls out of battle for Rheem

EMAIL, the Australian white goods producer 19.9 per cent-owned by Electrolux of Sweden, yesterday withdrew a A$387m (US$284.3m) offer for Rheem Australia, clearing the way for the Adelaide-based SA Brewing to take over the appliance and packaging company, AP-DJ reports from Sydney.

Rheem said that "in the absence of higher offers, the board would expect to recommend acceptance" of the SA Brewing bid of A$2.65 a share, or A$437m. This has already been endorsed by Broken Hill Proprietary, Rheem's parent.

TNT drops offer for Cumberland

TNT, the leading Australian transport group, has withdrawn a A$160m, or 85 cents a share, takeover offer for Cumberland Credit, a cash-rich investment company where Mr Larry Adler's FAI Insurances has just raised its holding to 43 per cent through market purchases and is bidding 90 cents a share.

TNT retains a 23 per cent stake in Cumberland.

Australian Ford shoots ahead

FORD MOTOR Company of Australia, a unit of the US car maker, lifted sales to A$2.02bn (US$1.48bn) last year from A$1.57bn and doubled net profit to A$34m from A$17m, agencies report from Melbourne.

The company said it was still disappointed with the result. It expects the Australian vehicle market, of which it has a 28.6 per cent share, to begin recovering gradually.

Toyota acquisition

TOYOTA of Japan plans to buy the assets of Delta Motor, a bankrupt Philippines manufacturer, as a means of again entering the country's reorganised car industry, Our Financial Staff writes.

The Asset Privatisation Trust has set a minimum price of 120m pesos ($5.7m) on the Delta facilities, which Manila expects Toyota to take over before it can resume production halted in 1983.

Cheung Kong boosted by extraordinary income

BY DAVID DODWELL IN HONG KONG

CHEUNG KONG, the Hong Kong property company controlled by Mr Li Ka-shing, yesterday reported net profits of HK$1.58bn (US$202.6m) for last year, up 23 per cent from HK$1.28bn in 1986.

Following "a policy of conservative expansion," Mr Li said the lightly geared group will seek opportunities to add to its land bank in the coming year. This January Cheung Kong acquired two development sites in Hong Kong totalling almost 25 hectares. The group is expected to invest about HK$8bn developing the sites, but is forecast to reap profits of HK$4bn or more by the time they are ready in 1995.

Mr Li said Cheung Kong completed 10 buildings in 1987. Through its controlling interest in Hutchison Whampoa, it also earned extraordinary income of HK$281m, most of this due to land and property sales.

Green Island Cement, a Cheung Kong subsidiary which sells large quantities of cement to China, also contributed strongly after a group restructuring.

Mr Li acknowleged that Hong Kong's property sector had sagged in the wake of the world stock market crash last October, but said prices had "started to stabilise" because of low mortgage interest rates and full employment.

He predicted that demand would remain strong throughout 1988 "for well-located medium and small residential units."

A final dividend of 16 cents a share makes a total of 22 cents for the year. This compares with 15 cents in 1986, after adjustment for a bonus issue, share split, a rights issue and a private share placement in 1987.

Two US life insurers win licences in Taiwan

BY BOB KING IN TAIPEI

TAIWAN HAS awarded licences to two US life assurance companies – Metropolitan Insurance and Annuity, and Life Insurance Company of Georgia – after months of deliberation. They were chosen from a field of seven applicants.

Two years ago Taiwan agreed to American requests that it grant foreign insurers greater access to its market, but limited the number of new licensees to two life and two non-life companies a year.

The Government earlier had awarded licences to Continental Insurance Company and Royal Insurance Company, both property insurers. The process in those cases was straightforward, since the two companies were the only applicants.

Deciding among the life assurance applicants proved more complicated, because Georgia Life is a subsidiary of Nationale Nederlanden, the Dutch insurance group.

Taiwan had specified in its agreement with the US that only American companies could qualify for the new privileges – not out of any ill-will against Europeans, but simply to ensure that Japanese companies would not dominate the market here.

Thus, legal consultation was required before the Finance Ministry accepted the argument that the American subsidiary was a *de facto* US company and could thus qualify for a licence.

Other companies in the life assurance competition included American Life Insurance, Connecticut Mutual Life, Life Investors Insurance of America, Commercial Bankers Life Insurance, and Central Life Insurance.

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

George Graham on another blow to De Benedetti's standing in France

Opposition to Buitoni sale mounts

PROTESTS ARE mounting in France over Mr Carlo De Benedetti's L1,600bn ($1.3bn) deal to sell the assets of his Buitoni food operations to Nestlé of Switzerland.

Minority shareholders in Buitoni SA, the French subsidiary quoted on the Paris second market, have been angered by the deal, which leaves them with shares in a company with no activities but cash totalling around FFr770 ($136.80) a share.

Crédit Agricole, France's largest banking group and the second largest shareholder in Buitoni SA through its subsidiary, Union d'Etudes et d'Investissement (UEI), with 10 per cent, is particularly unhappy with the operation. UEI invests mainly in agricultural and food industries linked to the bank's rural roots, and the group is not overjoyed at being left with a mere cash holding.

The affair seems likely to do further damage to Mr De Benedetti's reputation in France, where he has already ruffled many feathers in his battle with the Suez group for control of Société Générale de Belgique.

"The matter must be settled correctly, or it will leave traces. Mr De Benedetti is building up a certain amount of hostility here," said Mr Bernard Auberger, managing director of Crédit Agricole.

Other minority shareholders are unhappy about the price paid by Nestlé for the French part of the Buitoni group, and feel they are being used to help finance Mr De Benedetti's campaign against

Carlo De Benedetti: he has already ruffled French feathers with his battle for Société Générale de Belgique

Société Générale de Belgique.

"We are not very enthusiastic about the deal. It means that investors who bought shares in a food company are left holding what is essentially a financial asset. On top of that, Nestlé is paying around 35 times earnings for the entire Buitoni group [including Buitoni SpA in Italy and the Perugina chocolate company] while the price for Buitoni SA works out at only 16 times earnings," comments Mr Sylvain Massot, foods analyst at Phillips & Drew, the London stockbroker.

Overseas investors until recently held as much as 15 per cent of the Buitoni stock, but several UK fund managers sold in the London over the counter market when they heard the details of the Nestlé purchase. French investors have been unable to sell, since the shares have been suspended since the announcement.

French corporate lawyers suggest that Mr De Benedetti could be challenged on two possible counts: abuse of the majority shareholder's position, or abuse of company property, since the deal would mean the sale of all Buitoni SA's assets.

Cerus, Mr De Benedetti's French holding company, says it will propose to shareholders "new ways of using their money," at an extraordinary general meeting in June. Mr De Benedetti has indicated that some of the cash from the Nestlé deal would be likely to end up in Cerus, which is leading his bid for Société Générale de Belgique.

The two-thirds majority needed at the meeting is likely to be achieved, since Mr De Benedetti controls 47 per cent of the capital and, with double voting rights on some shares, 59 per cent of the votes.

However, the sale requires the approval of the Finance Ministry, since Nestlé is not a European Community company. Analysts expect the ministry to use the same tactics as it did with the planned purchase by Seagram of Canada of Martell, the cognac house, when approval was withheld until Seagram agreed to make a public bid.

The ministry is anxious for there to be no question of minority shareholders being unfairly treated during the weeks before the presidential election, particularly since France now boasts an estimated 6m direct individual shareholders. The Nestlé proposal has not yet been officially communicated to the ministry.

The Commission des Opérations de Bourse (COB), the stock market supervisor, and the Paris stock exchange authorities themselves are also investigating the deal.

Cerus argues that the higher price Nestlé will pay for the Italian arm of Buitoni takes account of the brand names, which are owned by Buitoni SpA.

Mr De Benedetti had held unsuccessful talks with two possible French purchasers, BSN and Bongrain, but a third French bidder, St Louis, has said that he refused to discuss a FFr3bn offer – 9 per cent higher than Nestlé's – for Buitoni SA. St Louis' offer, originally due to expire today, has now been extended.

The St Louis camp claims that if the Nestlé deal offers a fair price for the Italian arm of Buitoni, it undervalues the Perugina chocolate business by around 10 per cent and seriously underrates the French arm of Buitoni. It indicates that its price could be revised upwards, and has not ruled out a bid for the entire Buitoni group.

Brazil's debt conversion auction goes well

BY JOHN BARHAM IN SAO PAULO

BRAZIL'S FIRST debt conversion auction, held on Tuesday, converted $185m of debt, and has been greeted as a success by bankers and government officials.

An American banker said: "It was so successful because there was a large pipeline of investment projects that were on hold, waiting for the auction, and this forced the bidding up higher than it is likely to be in the coming months."

The auction was divided into two sessions, one for investments in development areas in the north of Brazil and the other for investments in the more prosperous south.

Bidding during the first auction for the south was highly competitive and attracted conversions of $108m at a 27 per cent discount, while the development areas attracted $88m at a 9 per cent discount.

The banker also said the auction was successful because Brazil was less ambitious than other Latin American countries when they began debt conversions. "The amounts involved were relatively small; the monthly limits are not that much."

Central bank officials said they would not set a minimum discount at next month's auction and the $150m monthly limit would not be changed. Neither do they plan to create special auctions for conversion funds, which use conversion capital to invest in Brazilian companies through the stock market.

Of the 104 banks represented at the auction, only about 20 were active bidders. NMB Bank of the Netherlands converted the most – $22.5m. Multiplic, an affiliate of Lloyds Bank of the UK, converted $15.6m, and New York's J.P. Morgan converted $7.2m at the auction for the south.

Most other institutions converted smaller amounts. Among them was Banco Bozano Simonsen, Morgan Grenfell's Brazilian partner in a conversion fund, which converted $800,000.

The banks have not said yet where the funds are to be invested. Most are believed to have bid on behalf of corporate clients. Favoured investment areas are likely to be export-orientated industries, agribusiness projects, tourist hotels, mining ventures and capitalisation of the banks' operations in Brazil.

Most of the large money centre banks that are Brazil's biggest creditors stayed away from the auction, apparently unwilling to accept large discounts on their Brazilian assets.

The discount on Brazilian debts has already narrowed to about 52 cents to the dollar.

AMI accepts defeat on bonds plan

By Clare Pearson

AMERICAN MEDICAL International, the US hospitals group, has accepted defeat in a long-drawn out attempt to persuade holders of $332m worth of bonds to agree to the removal of some financial undertakings provided by the company.

Bondholders who attended a meeting in London yesterday said that AMI had withdrawn its resolution to amend the bonds' documentation after it had been rejected for the third time by a majority of bond holders.

In previous meetings, American Medical had been refused its control of proxies to vote them in favour of adjournment after it had become clear that a majority was against the proposal, which was announced in January.

The Beverly Hills-based company had said that only those investors who voted in favour of the amendment would be able to take advantage of an offer by the company to buy back bonds for cash. Now, however, it is offering to purchase bonds from all holders, regardless of the way they voted, until April 15.

AMI officials in London declined to comment after yesterday's meeting, which was held at the offices of J.P. Morgan Securities, paying agents for the zero coupon bond issue due 2002. Neither Morgan nor lawyers for AMI would comment.

AMI has been keen to refinance the bonds to take advantage of falls in interest rates since 1982 when they were issued. It is offering to buy them back at a price of $181.03 per $1,000 face value.

Though this price has been criticised as too low, some holders said they may well accept the cash offer as the company has been downgraded by the US rating agencies since the bonds were issued. It is now rated triple-B minus by Standard & Poor's.

Saudi budget deficit funding plan altered

By Finn Barre in Riyadh

THE SAUDI Government has apparently decided to cover its budget deficit by borrowing from itself rather than from commercial sources, according to senior bankers in Riyadh.

The decision implies postponement of a plan to issue bonds to banks, and appears to mark a further narrowing of the scope of the kingdom's first borrowing in more than 20 years, which was originally announced with the 1988 budget on December 31. It will enable the Government to avoid religious opposition to the payment or receipt of interest.

The kingdom had originally planned to raise SR30bn ($8bn) towards covering the deficit by issuing bonds to banks and other financial institutions, or possibly to private individuals and companies. But bankers now say the Government is preparing to issue debt instruments to two of its own funds with ample surplus liquidity, the Public Investment Fund (PIF) and the General Organisation for Social Insurance (Gosi).

Apart from religious opposition, there are indications that the Saudi Arabian Monetary Agency, the central bank, has had difficulty in deciding on appropriate terms for the proposed bonds, and how they would be placed.

An auction could prove embarrassing. The set rate would have to be the same as, if not higher than, prevailing US dollar rates because the riyal is pegged to the dollar.

The plan to issue bonds had been widely welcomed in the kingdom as a sign that it was trying to limit future drawdowns on its foreign reserves in covering its deficit.

The Government yesterday denied news agency reports which claimed that a bond issue had been postponed indefinitely.

Elders in $500m CP programme

ELDERS IXL, the Australian brewing, financial and agricultural trading group, has arranged a $500m Eurocommercial paper programme, writes Stephen Fidler.

Dealers for the programme will be Chase Investment Bank, which arranged the financing, Bank of America International, Crédit Suisse First Boston, Société Générale and Citicorp. Issuance is expected to start towards end-April.

Elders can also issue in sterling under a programme, for which Barclays de Zoete Wedd, County NatWest and Midland Montagu will act as dealers.

Market activity slackens ahead of Easter break

BY DOMINIQUE JACKSON AND CLARE PEARSON

A HANDFUL of disparate issues in the non-dollar sectors yesterday signalled that mainstream activity in the Eurobond market was slowing markedly ahead of the long Easter break.

Secondary trading was quiet, with little activity in Eurodollar bonds, which mirrored the US Treasury market, with prices moving in a narrow range as attention was focused on currency movements. Other currency sectors were also quiet, though dealers detected some switching between coupons and maturities.

Most operators have already squared positions ahead of the holiday, unwilling to be caught unawares by any surprises in the US employment data, due out on Friday.

Tokyo will have a chance to digest the figures on Saturday and New York on Monday, while the London market will be unable to react until Tuesday morning, one dealer explained.

Little trading activity is expected today and dealers said prices could drift marginally lower in the absence of any clear signals from the foreign exchange market.

In the primary market, the World Bank tapped the Eurolire sector with a L150bn 10% per cent issue due 1993, priced at 101¼, led by Banca Nazionale del Lavoro.

The lead manager said the bond was seeing good demand from Continental and particularly Italian investors and quoted the issue at 1.65 points below issue price, within its total fees. Eurolire issues for certain supranational borrowers have tax advantages for domestic investors.

The French franc sector also saw a new issue from Interfinance Crédit National, a unit of Crédit National, the French state-owned financial institution. The FFr500m 9¾ per cent deal, due 1993 and priced at 101¾ was launched by Crédit Commercial de France and is only the second issue in the sector so far this year. It follows a FFr600m deal for Finland issued last week.

Another "bull-bear" double tranche Euroyen issue emerged, taking to five the total of these

INTERNATIONAL BONDS

specialist instruments issued so far this week.

The Y10bn 7 per cent issue, by Sumitomo Trust International for Finland's Kansallis-Osake-Pankki, has separate bull and bear tranches with redemption terms linked to the Japanese government bond futures contract of June 1993, when the bond matures. There is also a put and call option after 3¼ years.

The unknown redemption amount offers tax advantages for Far Eastern, particularly domestic Japanese, investors while borrowers have taken advantage of these issues to swap the proceeds and obtain cheap funds. These issues are targeted at a specific group of investors and are not expected to trade widely.

Dealing in the Eurosterling sector was becalmed, though the sector showed a firm undertone with participants focusing on sterling's strength on the foreign exchanges. The currency continued firm, although an attempt to push it through DM3.11 ran into resistance.

A £75m five-year bond for Toronto Dominion Bank, the most recent of this week's spate of new issues, improved in its second day's trading to a bid price of less 1.70, compared with 1⅞ per cent fees. The lead-manager said it was maintaining its initial 45 basis points yield spread over gilts, even though this had been seen as tight when the bond was launched.

Dealers said investors were showing only selective interest in this week's five new Eurosterling bonds. A seven-year bond for Creditanstalt appeared to be faring the worst. It was bid yesterday at less 2.25, against 1⅞ per cent total commissions.

D-Mark bonds saw little turnover. Dealers said that the absence of Japanese investors from the market was particularly noticeable. Prices were slightly firmer where changed.

Swiss bond trading was quiet too, though prices of fixed rate bonds mostly closed firmer. Japanese equity-linked issues were more actively traded, with prices rising in response to gains in Tokyo share prices.

This encouraged Union Bank of Switzerland to launch a SFr50m 5½-year convertible for Komatsu Zenoah, the agricultural machinery maker, with an indicated 1¾ per cent coupon. Unlike most recent Japanese convertibles, it did not incorporate a put option.

Dealers noted a SFr150m convertible for Advantest, the semiconductor manufacturer, had met a good response even though, unlike recent Japanese convertibles, it did not incorporate a put option. Yesterday it was quoted in the grey market about three points above its issue price.

Citicorp reorganises London offshoot

CITICORP, THE US bank holding company, is reorganising senior management in the securities operation of its London investment banking unit, writes Our Euromarkets Correspondent.

The changes will put Mr Len Harwood, current head of Eurocommercial paper operations, in charge of the distribution of all securities, including Eurobonds. Mr Brian Woolley, head of the bank's Swiss capital market operations and a former head of loan syndication in London, has returned to London to head a product management and development division, while Mr Willie Simon will be in charge of product origination and relationships with investors.

In January, it laid about 85 people off from its staff of 2,200 at the UK investment bank.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on March 30

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey National 7½ 92	200	96⅛	97⅛	0	+1¼	8.47
All Nippon Air 9½ 97	100	†96⅜	97¼	-0¼	-0½	9.87
[illegible]						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Belgium 5¼ 92	55	102⅝	102⅞	-0¼	-0¼	4.71
Belgium 4⅝ 94	45	98	98⅝	+0¼	+0¼	4.96
[illegible]						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]						

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]						

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]						

* No information available-previous day's price

† Only one market maker supplied a price

[illegible]

APPOINTMENTS

Board changes at Robert Fleming

ROBERT FLEMING HOLDINGS has appointed Mr P.T. Bateman, Mr R.H. Cooper, and Mr C.I.C. Munro as directors, and Mr D.J. Young as company secretary. Mr B.P. Matthews has been appointed as a director of Robert Fleming & Co. Robert Fleming Securities has appointed as directors Mr G.M. Barnard, Mr R.W.J. Davis, Mr J.C. de Pass, Mr C.E. Dunn, Mr A.D. Jamieson, and Miss S.C. Thompson. At Robert Fleming Management Services Mr A.S. Heybourn, Mr A.R. Munt, and Mr P.V. Skinner have been made directors and Mr D. Robinson becomes internal auditor.

★

Mrs A.J. Carnwath, Mr N.A. Lethbridge, Mr A.M. Shaw, and Mr A.F. Sykes have been appointed directors of J. HENRY SCHRODER WAGG & CO., from April 1; and Mr R.J. Broadbent, Mr S. Chari, Mr N.T. Crowe, Miss J.A. Heigho, Miss R.J. Moore and Miss J.A. Smith become assistant directors. Mr J.P. Bainbridge, Mr J.M. Dunmall, Mr M.S. Harrison, Mr P.W. Mason and Mr M.J. Sanderson have been appointed assistant directors of SCHRODER INVESTMENT MANAGEMENT from April 1.

★

BISLEY PRECISION OFFICE EQUIPMENT has appointed Mr Barry Sharp to the board. He was managing director of SASCO.

★

NOREX has appointed Mr Peter Anscombe as a director of Norex Insurance Brokers. He joins from Sedgwick U.K., where he was a regional director. Mr John W. Bell has been appointed a director of Norex Non Marine.

★

Sir William Dugdale has been appointed as director and chairman designate of GENERAL UTILITIES. He is a former chairman of the Severn Trent Water Authority, the Trent River Authority and the National Water Council. General Utilities is a wholly-owned subsidiary of Compagnie Generale des Euax and holds the group's investments in UK water companies.

★

FAIRLINE BOATS has appointed Mr Colin Joyce as a non-executive director. He was finance director of APV Baker.

★

ALPINE SOFT DRINKS has appointed Mr E.R. Creegan as company secretary. He was a director and company secretary of Horizon Travel until its acquisition by Bass last year.

★

Mr Eugeen Cleemput, general manager of KREDIETBANK's London branch, will be returning to head office in Belgium in April. He will be succeeded by Mr Marc Bernaert, senior manager, corporate banking and finance, on April 1. Mr Bernaert is succeeded by Mr David Monahan.

★

Mr Roger C. Shepherd has been appointed finance director from April 5 of the SOUTHAMPTON ISLE OF WIGHT AND SOUTH OF ENGLAND ROYAL MAIL STEAM PACKET COMPANY. He was finance director and secretary of Sealink UK.

★

Mr Stephen Bishop has been promoted to managing director of CMG INFORMATION CONSULTANCY SERVICES.

★

Mr Ray Winter has been appointed sales and marketing director of IO RESEARCH. He was managing director of Torch Computers.

★

Mr Gordon Stanger has been appointed company secretary of ATKINS HOLDINGS. At Woodcote, a subsidiary, Mr Jack Clare has been appointed production director, and Mr Peter Cranfield becomes sales director.

Head of swaps at Kleinworts

KLEINWORT BENSON has appointed Mr Konstantin von Schweinitz as a director of Kleinwort Benson Securities and head of the London swap group, covering preliminary long-term sterling interest rate and currency swaps. He was an executive director of Chase Investment Bank and its head of swaps in London. Kleinwort Benson Cross Financing Inc., the group's Los Angeles subsidiary specialising in US dollar interest rate swaps, has appointed Mr Richard Stern as a senior vice president in New York with particular responsibility for advanced swap arbitrage programmes. He was a managing director of Merrill Lynch Capital Markets, head of the Merrill Lynch swap group worldwide, and a founder board member of the International Swap Dealers Association, Inc. The group has transacted over $80,000m of interest rate and currency swaps since 1984, according to Mr Jonathan Agnew, chairman of Kleinwort Benson Securities.

★

NATIONAL AUSTRALIA BANK has appointed Mr Andrew J. Grant as chief manager, group treasury, Europe, based in London. He was deputy general manager and treasurer with the National Bank of Kuwait.

★

Mr Nigel Bulpitt has been appointed to the GALLAHER group executive and will be responsible for group strategic planning. Mr Philip Burchell, financial director of Gallaher Tobacco (UK), has also been appointed to the group executive. Both appointments are from April 1.

★

From April 1 Ms Anna Christiansen joins the board of HILL MURRAY. She was an associate director. Mr Peter Beckett, account supervisor, advertising division, becomes an associate director.

★

Mr Terry G. Kemp has been appointed an associate director of JAMES LATHAM. He is company secretary and a director of Latham Timber Centres (Holdings).

★

Mr Francis Witts, a director of Morgan Grenfell International, has been appointed general manager of MORGAN GRENFELL FINANSAL HIZMETLER, Istanbul. Morgan Grenfell claims to be the first UK merchant bank to start a financial services operation in Turkey.

★

Mr Adrian Reynolds has joined the board of CYBERAID as group sales director. He was with Nova.

CONTRACTS

£20m mechanical handling orders

BUTTERLEY ENGINEERING, a member of the Norcros Group, has won contracts worth £20m.

Tha largest involves the design, manufacture, installation and commissioning of a raw materials handling and furnace charging system at British Steel Corporation's Port Talbot works, South Wales. Other orders from BSC include a limited swing magnet crance for Scunthorpe, 1200 tonne ladle crane trolley at Tinsley Park, Sheffield, and modifications to a crane at Ravenscraig.

Butterley will design, manufacture and deliver what is described as "a unique integrity Polar crane" and fuel building cranes for the pressurised water reactor at Sizewell B nuclear power station in Suffolk.

On the bridge side, the company will provide a second roll-on, roll-off facility at No.2 berth for the Dover Harbour Board following a recently completed contract for the No.3 berth.

Acting as a sub-contractor to Balfour Beatty Building, Butterley will fabricate and erect a twin-leaf bascule bridge at The London Dockland Development Corporation's Millwall Docks scheme.

Flexible business space in the City

HUNTING GATE CONSTRUCTION has been awarded a £10.5m contract by NFC Properties to construct 155,000 sq ft of flexible business space on the edge of the City of London. The development, to be called City Forum, will take place on a prime five acre site in City Road, EC1, and will create 13 two- and three-storey self-contained linked buildings. Funding for the scheme is being provided by Postel.

The site formerly housed an NFC operational depot and at an earlier stage in its history was served by the Grand Union Canal which entered the site under City Road.

The new development will transform the immediate area with a brick facade to City Road. All the units overlook a landscaped courtyard designed to be a focal point for every building on the development.

The scheme incorporates basement car parking which makes good use of the basement levels of the previous building. The foundations are of 18 metre flight augered piling with an in situ reinforced concrete sub-structure forming the basement car parking. The units will be constructed in steelwork with pitched roofs to accommodate the plant and help to reduce the overall scale of the development. When complete in April, 1989, the development will provida one of the largest low-rise schemes in the City.

Seven-storey warehouse refurbished

Building contracts worth more than £5m have been awarded to four of the WILLMOTT DIXON companies.

The largest, worth in the region of £2.3m, is being carried out by A.F. Symes of Leyton. It involves the refurbishment of a seven-storey warehouse at Bear Wharf, London SE1 to provide office accommodation for British Telecom.

Bush Gould of Norwich has won two contracts. One, worth around £637,000, is for work on an extension to a Norfolk store. The second contract involves refurbishing and extending a four-storey office block for Donnington Investments at Prince of Wales Road, Norwich. This contract is worth in the region of £550,000.

Willmott Dixon Design and Build of Cambridge is engaged on two new contracts. One, worth £1m, is to build two retail warehouses at Beardmore Park, Martlesham, Suffolk for The Churchmanor Estates Company. The other is a £367,000 contract to design and build a two-storey steel-framed office building for George Cohen Machinery at Dunhams Lane, Letchworth, Hertfordshire.

Willmott Dixon Construction of Shefford have been awarded a £278,000 contract by Tesco to refit the checkout area of its store at Barr Hill, Cambridge.

IN BRIEF.....

DAVY McKEE INTERNATIONAL, Sheffield, part of the Davy Corporation, has won a contract worth over £13 from the USSR for steel mill equipment. The order is from Tyazhpromexport, and the equipment will be installed in a mill to be built at Magnitogorsk, near the Ural Mountains. Equipment to be supplied includes hydraulic guage control for all seven finishing mill stands, with work roll bending, side shifting and spindles on four of the stands, and an "Encopanel" heat retention system.

★

TEMPERATURE, a member of the Norcros Group, has signed a five-year licensing agreement, worth £5m, with the Greek air conditioning company Fyrogenis S.A. Under the agreement the Isle of Wight air conditioning company will initially supply £500,000 worth of Prestair split airconditioning units in kit form and later Fyrogenis will manufacture units under the licence.

★

STC TELECOMMUNICATIONS gained orders worth £13.5m during February. More than half is from British Telecom for line transmission equipment. A £2.5m order from Mercury is for programmable digital multiplexers, which Mercury is building into its network as standard equipment.

★

PRESSAC HOLDINGS, Nottingham, has been awarded a contract by the network division of British Telecom to manufacture Line Box. Completing the network system, Line Box will enable engineers to remote test for faults on lines running from telephone exchanges to individual properties. The contract is worth £6m over two years and will represent an increase of 10 per cent of group sales.

★

ROYAL ORDNANCE has won contracts from the UK and Norwegian Defence Ministries together worth £12.5m. The larger is for 81mm mortar ammunition for the Norwegian Armed Forces, and is worth about £10m. The MOD has ordered Seadart missile fragmenting warheads, valued at nearly £2.5m.

★

WSP HOLDINGS has been appointed by the Home Office for the design and supervision of mechanical and electrical services at Brookhill remand centre, near Birmingham. The value of the services will be about £5m. The overall cost of upgrading the accommodation at Brookhill is about £15m.

UK COMPANY NEWS

EXCEPTIONAL PROVISIONS EXCEED CITY FORECASTS

BAe lapses into £159m deficit

BY MICHAEL SMITH

British Aerospace said yesterday that exceptional provisions made in its 1987 accounts were intended to cover losses on its civil aircraft operations until 1991.

BAe set aside £320m, more than most analysts had been expecting, for anticipated trading losses on civil aircraft orders and assumed sales. This left pre-tax losses for the year to December 31 at £159m, against a profit in 1986 of £182m.

Losses per share were 43.9p (51.4p profit). However, the company is proposing a final dividend of 11.8p per share bringing the total for the year to 18.7p, an increase of 7.5 per cent.

Professor Roland Smith, chairman, said the company had taken an extremely conservative view in drawing up the accounts. The company, he said, was looking forward to the future from a position of strength.

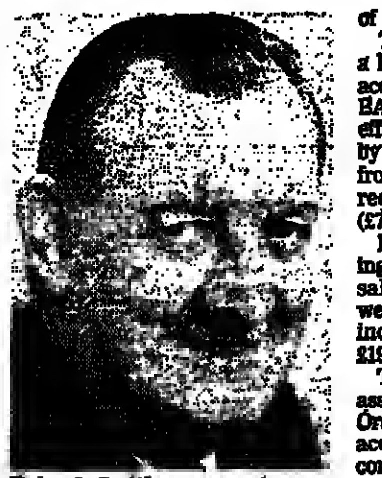
The losses result in part from the relative youth of the civil aircraft division of BAe and of Airbus, the European consortium in which BAe has a 20 per cent stake. But the problem has been compounded by recent currency changes: most civil aircraft sales are denominated in US dollars but the cost base is mainly in sterling.

BAe's provisions have been drawn up on the assumption thatthe dollar remains weak in 1988 but will strengthen moderately in the following few years. Of the £320m provision, the Airbus proportion is about £180m and BAe's own operations account for £140m.

The company expects its own civil aircraft division to be making trading profits after 1991. Any Airbus losses after then have not been provided for.

Airbus itself expects to be making profits in 1990-91 but BAe said it had taken a more cautious view for accounting purposes.

In 1987, BAe sales rose by 30 per cent from £3.14bn to £4.08bn, partly as a result of acquisitions including Royal Ordnance Factories. Exports accounted for 69 per cent of total sales and the order book at the end of the year was £10.2bn (£8.6bn).


Roland Smith – stepping up attempts to cut costs.

Trading profits for the year amounted to an unchanged £217m but pre-tax profits before the exceptional provisions were £161m – £21m below the previous year. This was largely due to interest charges of £18m compared with net interest receivable of £9m in 1986.

The civil aircraft division made a loss of £88m (£8m loss). Airbus accounted for £38m of the deficit. BAe said it mitigated the worst effects of the dollar's weakness by covering forward but receipts from civil aircraft deliveries were reduced. Turnover was £755m (£762m).

Military aircraft made a trading profit of £155m (£146m) on sales of £1.85bn (£1.17bn) and weapons and electronic systems increased profits by £59m to £199m on sales of £1.32bn (£1bn).

The weapons improvement was assisted by the success of Royal Ordnance Factories, which was acquired during the year and contributed the bulk of the £59m improvement.

Space and communications made a profit of £4m (£2m) on sales of £153m (£196m). Professor Smith said the company was stepping up its attempts to reduce costs. Over the next 18 months 5,000 staff would be leaving, resulting in a saving of £85m in a full year.

See Lex

Brent Walker chief calms City with £21m

BY DAVID WALLER

MR GEORGE WALKER, chairman and chief executive of Brent Walker Group, yesterday took the unusual step of confirming in public that he has a criminal record.

In a brief speech made to stockbrokers, senior Brent Walker employees and journalists before announcing a near-threefold increase in 1987 pre-tax profits, Mr Walker acted to calm City fears that his record had not been disclosed to the Gaming Board, the authority which regulates the casino industry in this country.

The former boxer was responding to a series of recent articles in Time Out, the London listings magazine, which stated that Mr Walker was jailed for two years at the Old Bailey in 1956 after pleading guilty to stealing woollen goods and nylons worth £1,754.

A sharp fall in Brent Walker's share price over the last fortnight reflected fears that the company – the UK's third largest casino operator since the acquisition of Lonrho's casinos for £128m last summer – would lose its licence to operate casinos.

"All the relevant information has been known to every appropriate body since the start of my business career," Mr Walker said yesterday. "Everything has been up front and never hidden. There has never been any question of sweeping these things under the carpet."

He added that he had paid the price for what he described as "that mistake". "I was lucky to have been young enough to learn by it. I have used it as a spur in my life ever since. The articles are a reminder to me to increase my determination for the future."

Immediately afterwards, Mr Walker revealed that pre-tax profits for 1987 had increased from £7.17m to £20.8m. Fully diluted earnings per share doubled from 13.59p to 27.5p, and turnover soared from £32.72m to £70.9m.

Operating profits, before interest and central administrative charges, rose from £9.5m to £22m. The casinos and stadia division accounted for 44 per cent of last year's profit, up from 15 per cent the year before. The precise contribution from the eight former Lonrho casinos was not disclosed.

Leisure centres and catering made 28 per cent of the total (14 per cent in 1986); Brighton Marina, 13 per cent (26 per cent); film and television – which includes the recently acquired Goldcrest – made 19 per cent, down from 44 per cent.

A recommended final dividend of 5p brings the total for the year to 8p, a 42 per cent advance.

● comment

Yesterday's excellent figures from Brent Walker did something to lift the gloom which has overshadowed the share price since the damaging disclosures about the chairman's past were first published. The shares gained 15p to close at 350p, but at this level they are still 42p below their price a fortnight ago. They stand on a prospective p/e of just over 10 if the group makes £40m this year. This appears ludicrously cheap for a company which has grown so rapidly and has consistently been able to mitigate the risks associated with high-return ventures, whether in the film industry, at Brighton Marina, or Basildon where BW is building the UK's first astrodome. There is nothing in the price for the possible redevelopment of the Hackney dogs stadium – nor indeed, for the possible sale of the freehold to Number 45 Park Lane, which houses one of the former Lonrho casinos. Such a sale would reduce the purchase price by £50m to £78m for a business which should generate profits of £15m in a full year. Under present sensitive circumstances however, the very prosperity of the casinos is likely to frighten investors who fear – however unreasonably – that Mr Walker's licences may be difficult to renew.

BAT extends Farmers deadline

BAT Industries, the tobacco-based multinational, has extended until midnight on April 27 the closing date for its $63 per share tender offer for Farmers Group, the US insurer, which values Farmers at $4.5bn (£2.42bn).

Acquisitions help Raine to treble profits

By Michael Smith

Raine Industries, the housebuilding and contracting group of which Mr Nigel Rudd is non-executive chairman, yesterday reported that pre-tax profits had more than trebled, from £1.52m to £4.83m, in the six months to December 31.

Recent acquisitions were the main factor in the expansion but the company said organic growth was about 40 per cent.

The pre-tax growth was struck on turnover of £72.38m (£16.72m). Earnings were 57 per cent ahead at 3.55p (2.26p) and the dividend was lifted from 0.4p to 1p.

Mr Rudd said each division had traded well. The narrowing of margins reflected the greater impact of contracting, where profit/sales ratios are relatively low, on the results.

The contracting division, which included a full six months from Ford & Weston and two months from Hall & Tawse, and the shopfitting division both traded satisfactorily.

The housebuilding division expected to sell more than 1,300 homes this year and 2,200 in 1988/89 on a fully annualised basis. That would put it into the top 15 of UK housebuilders, said Mr Peter Parkin, chief executive.

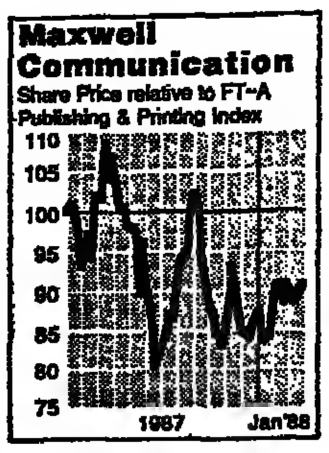
● comment

The real benefits of Aberdeen Construction are still to come but already it is looking like a good deal. Raine bought it for £60m last October but has raised £30m from disposals of the parts it did not want and still has an office complex worth about £30m and a contracting company which makes annual profits of £3m and is worth £12m or £13m. With a property portfolio the value of which more than covers group debt, Raine is well placed to bring off similar acquisitions. But even without them it looks well set for expansion, as the 40 per cent organic growth figure demonstrates. Assuming pre-tax profits of about £12.5m, the shares are on a p/e of about 13, a fair premium to the market but well worth it.

MCC buys magazine publisher as profits double to £166m

BY CLAY HARRIS

Maxwell Communication Corporation, the printing and publishing group formerly known as BPCC, more than doubled pre-tax profits to £166m in 1987. MCC also announced the £17m acquisition of a magazine publisher controlled by Ladbroke Group.



The advance in profits from £80.3m translated into a 15 per cent increase in earnings per share to 26.7p.

Mr Robert Maxwell, chairman, said MCC was on course to achieve its strategic plan of becoming a global information and communications business with annual turnover of between £3bn and £5bn by 1990.

The group plans to concentrate further expansion and acquisitions in communications, including electronic and database publishing. For this purpose, it has arranged $2bn (£1.1bn) in term facilities with 11 international banks.

Having become the largest printer in Europe, the second in the US and at least the fourth largest in the world, MCC had largely satisfied its acquisition ambitions in this sector. Future growth would be based on increased efficiency and productivity in each plant.

If the dollar had not fallen against sterling, MCC would have approached its first £1bn year to 1987, Mr Maxwell said. In the event, turnover rose by 91 per cent to £884.1m (£461.7m).

The final dividend of 8p and total of 14p are unchanged from 1986. Taking into account the bonus element of the rights issue last July, the 1987 dividend represents an effective increase of 9 per cent. There will be a scrip alternative.

MCC achieved profit increases in all areas. Communications, including publishing, more than trebled its contribution to £52.2m (£16.8m) and printing advanced to £68.2m (£46.8m). Property disposals and treasury operations each accounted for about half the £47.6m (£18.9m) profit from other activities.

On the printing side, orders were at an all-time high and plants worldwide were operating at high levels of utilisation, Mr Maxwell said. He also announced the imminent launch of colour magazines for Mirror Group Newspapers' two London-based Sunday titles.

MCC had a strong balance sheet boosted by the rights issue cash, Mr Maxwell said.

MCC was still a contender to buy David Syme, publisher of The Age and other newspapers, from the Australian Fairfax group. "We have had very satisfactory meetings with Mr Fairfax and his people, both here and in Paris," Mr Maxwell said.

If MCC's bid was accepted by Fairfax, and allowed by the Australian Government, the eventual intention would be to seek a stock market flotation for The Age, he said.

The latest UK acquisition, Home and Law Magazines, publishes babycare magazines as well as titles including Wedding & Home, Exchange Contracts and The Gardener. It has been awarded a new five-year contract to publish the customer magazine for Texas Homecare, Ladbroke's DIY subsidiary.

MCC will own 91 per cent of Home and Law, of which 84 per cent was owned by Ladbroke, with the rest retained by employees. Ladbroke said the group achieved profits of £1m before tax and interest in 1987.

MCC shares fell 7p to close at 245p.

See Lex

United Newspapers rises 69%

BY NIKKI TAIT

SUBSTANTIAL cost-savings at United Newspapers, the publishing and information group which owns the Express titles and The Star, helped the company increase 1987 pre-tax profits by 69 per cent to £95.6m.

The sharp rise was also due in part to the inclusion of just over six months of profits from Extel, which United acquired after a £250m bid battle last June. During this period, Extel contributed £9.7m at the pre-tax level.

The biggest factor behind the improvement, though, was the rise of almost £20m in national newspaper profits to £33.15m. This, according to United, reflected the benefits of its 1986 rationalisation programme in Fleet Street – a programme which saw staffing levels cut by a third. United said that perhaps three-quarters of the rise could be directly attributed to the cost-savings.

Turnover in 1987 went up by 15.5 per cent to £716.6m, and earnings per share advanced 43 per cent to 36.2p.

On the newspapers side, the national publications saw trading profits advance to £33.15m (£13.57m), while the regional papers increased their contribution from £10.8m to £15.3m on the back of stable costs and strong advertising.

Elsewhere in the UK, advertising periodicals produced £14.4m (£11.8m) and the magazine and exhibitions business turned in £11.6m (£8.57m). There was a first-time contribution of £4.46m from information services, reflecting the Extel deal. Discontinued businesses contributed £4.6m (£784,000).

In the US, magazines and exhibitions turned in £11.7m (£11.5m) while information services contributed £4.23m (£3.4m). United said that the weaker dollar cost it £2m to profits.

Overall, then, trading profits came out at £100.4m, with about 83 per cent coming from the UK and the remainder from the US. Interest charges were little changed at £7.36m (£7.55m), although income from investment almost halved to £946,000.

It was below the line, however, where United carried the cost of its continuing reorganisation – a £23m extraordinary charge. This included full provision for all redundancies to 1990. These were expected to number almost 2,500 with 300 having departed by the year-end.

See Lex

Bowater above forecasts with rise to £54.5m

BY ANDREW HILL

Bowater Industries, packaging and building supplies group, beat most forecasts with pre-tax profits of £54.5m, up over 13 per cent on the £48m made in 1986.

Turnover was slightly reduced at £1.15m (£1.34m). Earnings per share grew by more than 34 per cent to 36.7p (27.3p).

Operating profit from continuing businesses rose to £60.2m (£50.2m), led by increased contributions from packaging and industrial products and merchanting and services.

During 1987, Bowater's management team was substantially altered with the appointment of a new chief executive, Mr David Lyon, a new chairman, and a new finance director.

Mr Lyon said yesterday Bowater would attempt to squeeze margins in all sectors this year. In 1987 they stood at 5.3 per cent (5 per cent) for the group. This figure would have been higher had the group not decided to reinstitute pension contributions of £2m after the crash.

Mr Lyon intends to place less emphasis on volume in the corrugated packaging division and more on added value, by working on designs for the outside of boxes it produces.

Last year trading profits in the sector rose to £28.5m (£22.4m). Rexham, the US packaging concern bought for £129m last November, was included for six weeks and contributed £15m in sales to divisional turnover of £397m (£335m).

The merchanting and services division also increased trading profits to £23.8m (£18.9m) and sales rose to £659m (£581m).

The figures included an extraordinary gain of £12.8m, principally representing the sale of a 50 per cent stake in Cayzer Steel Bowater Holdings last August.

The board recommends a final dividend of 7.25p, making 12.5p (10p) for the year.

● comment

Last year may have been transitional, but Bowater scarcely needed to make excuses for yesterday's figures. Nonetheless, if 1986 figures are restated to exclude a £7m contribution from the Bowater Scott stake, since sold, and currency fluctuations are evened out, the company's growth looks even more impressive. This year, Bowater ought to consolidate its strengthening position as a producer of lucrative designer packaging. A full year's contribution from Rexham and improving margins both here and in the building products division should push pre-tax profits over £70m. With the new management team prepared to expand further, the shares – up 3p to 383p yesterday – look fairly attractive on a prospective multiple of about 9.

Metal Box to accept S. Africa offer

By Maggie Urry

Metal Box, the UK packaging group, is planning to accept an offer worth £28.7m for its 25 per cent stake in Metal Box South Africa. The offer comes from Nampak, a quoted subsidiary of Barlow Rand, the South African industrial business. Metal Box South Africa, which has similar activities to its UK namesake, is quoted, and Nampak is proposing to acquire all its shares.

At the same time, Metal Box is selling its 25 per cent stake in Robor Industrial Holdings, e South African steel, metal and tube company, to Barlow Rand, which owns the majority of Robor's shares, for £6.7m.

The two deals will take Metal Box out of South Africa. The company expects to be able to bring the £35.4m of cash back to the UK where it will be used to develop and extend its existing core businesses.

Metal Box South Africa will continue as a licensee of Metal Box technology and will be able to use the Metal Box name for two years.

Metal Box shares were down 2p at 185p.

OT&T meets targets with £41.2m

BY MARTIN DICKSON

Ocean Transport & Trading, international distribution services gronp, yesterday announced pre-tax profits of £41.2m for 1987, up 10 per cent on the £37.4m achieved in 1986.

The figures were in line with leading analysts' expectations, which had been downgraded at the interim stage, and the shares closed down 1p at 283p.

OT&T has been undergoing a major change of direction in recent years, reducing its dependence on the depressed shipping sector, and developing three other major legs: international freight management, specialised warehousing and distribution, and environmental management.

At the trading level, profits rose 29 per cent to £40.9m (£31.7m) on turnover of £950m (£827m) and would have been £2m higher using 1986 year-end exchange rates.

The interest charge was £3.3m (£4.6m) and there was a drop in profits from associated companies – from £10.3m to £3.6m – because of the sale in 1986 of its interest in shipping group Overseas Containers.

Freight, warehousing and distribution contributed trading profits of £17.6m (£13.8m). This was helped by Jardine Airfreight, acquired in 1986. However, OT&T said while Jardine had been integrated better than planned with the MSAS Cargo business in most parts of the world, it had taken longer than expected to resolve the problems with the important UK operations.

The environment and energy division contributed £10.1m (£9.8m), marine services £7.2m (£6.2m) and shipping £4.1m (£1.7m).

After tax of £11.6m (£11.5m), earnings per share were up 11.6 per cent to 24p (21.5p), while the final dividend of 7.01p (6.1p) takes the total for the year to 10.35p (9p), up 15 per cent.

● comment

A solid and worthy, rather than exciting, set of figures, held back by the problems (which now seem to be over) of combining two very different cultures at MSAS and Jardine in the UK and exchange rate swings. However, after being slower than most to extricate itself from shipping, OT&T is now getting into its stride with a coherent, expansive strategy. Capital investment totalled £50m last year and has been running at the same rate so for this year, while gearing remains moderate; the management has been quicker than many to act on the possibilities thrown up for transport as Europe moves to 1992; and the new finance director may bring with him some additional tax and treasury gymnastics. Pre-tax profits could reach £47m this year, which on a 30 per cent tax charge produces a p/e of 10, suitably in line with the market. But it is likely to be 1989 before the full fruits of the capital spend start coming through and the shares should not excite in the near-term, epart from any renewed interest by Sir Ron, who seems fully occupied down under.

Weir achieves £13.2m despite disposals

BY FIONA THOMPSON

The Weir Group, Glasgow-based engineer, reported 1987 profits on ordinary activities ahead from £11.33m to £13.21m, but at the pre-tax level an exceptional credit of £3.73m boosted the 1986 total to £15.05m.

The results were encouraging, said Lord Weir, chairman. Excluding the exceptional items, earnings per share rose from 14.2p to 17.8p. "This performance is all the more creditable considering that the results for 1986 included profits of £4.81m from our interests in Weir foundries, Delas-Weir and Yarrow, all of which were disposed of before the beginning of 1987."

The company is expected to announce a specialist engineering acquisition shortly.

The year has started well with a high level of bookings at Weir Pumps, he said.

Turnover was £137.26m (£148.58m). Tax took £3.09m, compared with £4.03m last time. A final dividend of 3.25p is recommended, making a total for the year of 4.5p (3.5p).

● comment

These results were above expectations and the shares closed 8p up at 233p last night. The underlying business is strong and the company has been booking orders at a high rate, and not just power generation business though it does have at least £14m Sizewell orders. The geographical spread is also very wide, Weir is a big exporter all over the world and the company hedges foreign currency orders as soon as they are booked. The first-time contribution from Devonport Management gave a substantial boost to the engineering services division. Weir has consistently outperformed the market and forecasts for this year of £16m produce a prospective p/e of just under 11, not excessive.

COMPANY NEWS IN BRIEF

A & C BLACK (publisher): Pre-tax profits £617,000 (£533,000) on turnover of £4.71m (£4.61m) for 1987. Final dividend 8.25p (7.25p) making 12p (10.75p). Earnings 30.9p (25.6p) per share.

NORISH (food storage and distribution): Pre-tax profits I£2.46m (£2.12m) for 1987, against I£2.03m. Turnover £13.63m (£4.68m). Final dividend 7.3p (6.1p), making 10.5p (9.1p). Earnings 29.3p (28.3p) per 20p share.

ARAN ENERGY (unquoted oil and gas group): Pre-tax profits I£1.43m (£1.24m) for 1987 against I£464,000. Turnover £23.52m (£23.48m). Tax credit £1.07m (£440,000 debit). Earnings 1.65p (0.01p).

GOAL PETROLEUM.- Pre-tax profits for 1987 £3.81m compared with loss of £631,000 on turnover substantially higher at £19.81 against £3.85m. Dividend is unchanged at 1p net, and stated earnings per share were an adjusted 2.5p against a loss of 0.5p. The directors said the group is well-placed to face the future and to maintain its continued growth in the longer term.

CLARKE, NICKOLLS & Coombs (property investor and developer): Pre-tax profits £1.53m (£893,000) on turnover of £6.42m (£2.9m) for 1987. Final dividend 2.4p (2.1p adjusted) for 3.5p (3.15 adjusted) total. Earnings 9.93p (5.35p).

Cambridge Isotope

Cambridge Isotope Laboratories, Massachusetts-based prodncer of stable isotopes and chemical compounds, improved pre-tax profits to \$1.3m (£700,000)in the year to November 30 1987 against a previons \$789,058. Turnover rose from \$3.36m to \$4.51m.

The company, which came to the USM last April, is paying a dividend of \$0.006 from earnings of \$0.06 (\$0.04).

BWD Securities

BWD Securities, the Yorkshire based stockbroker being floated on the USM, received applications in respect of 3.24m shares for its offer for sale of 1.5m shares. Up to 1,000 shares, allocated in full; 1,500 to 3,500 –1,000 shares; 4,000 to 6,000 –2,000 shares;6,500 to 8,500 –2,500; 9,000-11,000 –3,000; 12,000-25,000 –3,500; 27,500-47,500 – 4,000; 50,000 shares and above –10 per cent of the application.

STANDARD CHARTERED PLC

1987 RESULTS

The Directors announce the results of Standard Chartered Group for 1987, as follows:

	1987 £ million	1986 £ million
Trading profit before charge for bad and doubtful debts	362.1	394.4
Charge for bad and doubtful debts	(233.6)	(184.2)
	128.5	210.2
Share of associated companies	39.1	43.7
Profit before exceptional items	167.6	253.9
Exceptional items:		
Charge for cross border debts	(519.5)	–
Surplus on disposals of premises	88.9	–
Reorganisation costs	(10.8)	–
Profit/(loss) before taxation	(273.8)	253.9
Taxation:		
United Kingdom	37.4	(13.0)
Overseas	(83.0)	(72.8)
Share of associated companies	(14.6)	(10.5)
	(60.2)	(96.3)
	(334.0)	157.6
Minority interests	(10.5)	(6.6)
Earnings	(344.5)	151.0
Extraordinary items	(60.4)	(8.7)
Profit/(loss) attributable to members of the company	(404.9)	142.3
Dividends: Interim	(19.5)	(19.5)
Final	(35.0)	(35.0)
Amount retained/(deficit)	(459.4)	87.6
Earnings per share:		
Before exceptional items	33.8p	97.0p
After exceptional items	(221.3p)	97.0p

Dividend: The Directors will recommend at the Annual General Meeting on 12th May, 1988, a final dividend of 22.5 pence per share making a total distribution for 1987 of 35.0 pence per share. The final dividend will be paid on 20th May, 1988 to shareholders on the register on 21st April, 1988.

The information in this announcement does not comprise full accounts within the meaning of Section 254 of the Companies Act 1985. Full accounts containing an unqualified audit report will be posted to shareholders on 18th April, 1988. Copies will be delivered to the Registrar of Companies in accordance with Section 241 of the Companies Act 1985.
Standard Chartered PLC, 38 Bishopsgate, London EC2N 4DE.

Standard Chartered

UK COMPANY NEWS

GROWTH REPORTED BY BOTH COMPOSITE AND LIFE INSURERS

October Hurricane fails to unsettle buoyant GRE

BY NICK BUNKER

Guardian Royal Exchange, composite insurer, managed a 15 per cent increase in pre-tax profits last year to £165m, in spite of last October's hurricane.

The group's figures for the 12 months to December 31 further underlined the fact that apart from the hurricane, 1987 was the best year this decade for most of Britain's major non-life insurers.

GRE plans to raise its total dividend by 20.6 per cent to 41p, after achieving a 5.7 per cent increase in earnings per share to 67.2p. The shares fell 2p to close at 888p last night.

Neither the UK hurricane nor the October stock market crash had a dramatic effect on GRE's trading results or investment portfolio. The group's shareholders' funds dropped only five per cent to £1.09bn over the year, and GRE made a net underwriting loss of only £11m on UK non-life premiums of £595.2m.

In the UK, which accounted for 41 per cent of worldwide non-life premiums of £1.45bn, hurricane-related claims totalled £53m gross, but the group recovered £28m of this from external reinsurers. Mr Sid Hopkins, UK general manager, said GRE had a possible increase in household structure insurance premium rates under review.

GRE's main problem area is Australia, where underwriting losses of £11.1m were 15.4 per cent of premiums, largely due to fierce price competition.

● **comment**

Barely 220,000 shares in GRE were traded yesterday, and the apathy was understandable. It is true that with the exception of heavy losses on UK professional indemnity business, the group has generally this decade enjoyed the best underwriting results in the sector. Albingia, its subsidiary in the stable West German non-life market, has been solid, and GRE's orientation towards the UK has left it unscathed by US price wars. Yet the group has earned from operations an after-tax return on shareholders' equity averaging only 6.9 per cent per annum since 1983. The current year will see a much better figure, of course, with the UK motor account for instance achieving such profitability that GRE says it plans no rate increases before July. But the good profits for 1987 and the excellent ones in prospect for 1988 should not mask the fact that the sector's historical record of low rates of return on equity still leaves it with a lot of catching up to do.

Sun Life moves up to £21m and stresses potential for growth

BY ERIC SHORT

AFTER-TAX profits up 20 per cent from £17.4m to £20.9m in 1987 are reported by Sun Life Group, with strong profit growth in all sectors.

Shareholders receive an 18 per cent dividend increase to 33.64p.

On the main life and pensions fund, shareholders received a 13 per cent rise in the overall profits from the fund from £12.4m to £14m, while policyholders received a record £142.1m distribution.

The actuarial valuation included a £143m transfer from realised appreciation within the investment reserve, including £30m (about 1 per cent of total liabilities) specifically reserved against future AIDS-related claims.

Profits from the pensions management subsidiary rose by nearly 39 per cent from £2.3m to £3.2m, but profits from the unit-assurance operation barely changed at £1.3m against £1.2m.

The trust management company's profits almost doubled from £1.3m to £2.5m following a very buoyant year for unit trust sales.

Mr Peter Grant, chairman, spoke about the growth potential of Sun Life, including the opportunities offered in the European Community due to the 1992 single market policy.

Mr Grant told newspapers recently that he had held talks about joint ventures with foreign insurers including UAP of France and Equitable Life of the US.

Yesterday, however, he declined to discuss the state of negotiations or name the EC companies with whom he was in discussions. Neither would he elaborate on separate talks he said were being held with the group's largest shareholder, TransAtlantic Holdings.

But he said the group's expertise in product design, marketing and its investment track record would stand it in good stead in developments in those countries where the financial services market was still under developed.

● **comment**

Mr Grant should make up his mind whether anything is really going to come of his joint venture talks with foreign insurers this side of the 21st century. His refusal yesterday to provide any details merely adds to the uncertainties that surround Sun Life. True, its profit growth and dividend increase was in line with market expectations and the share price, up 3p at 1068p, is now looking to future prospects of the group. The group has no qualms about this year, considering that the pension sales in the new environment will more than offset a decline in profits from both retail and wholesale fund management operations arising from the dull stockmarkets post-October. But there are many question marks over the pensions market, with the Inland Revenue putting every obstacle in the way of company money purchase schemes (Sun Life's chosen marketing thrust), and over Sun Life's ability to maintain the past five years' dividend growth.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div	Total for year	Total last year
A.B. Electronic	int	3†	-	2	-	12.5
Arcolectric	fin	0.46	-	0.47	0.88	0.72
Black (A&C)	fin	8.25	-	7.25	13	10.75
Bowater Inds	fin	7.25†	May 27	6	12.5	10
Brent Walker	fin	5†	-	5	8	8.5
Brit Aerospace	fin	11.8	June 1	11	18.7	17.4
British Syphon	fin	2.66†	May 23	2.33	4.5	4
Clarke, Nickolls	fin	2.4	-	2.1*	3.5	3.15*
Ealing Electro §	fin	0.8	May 27	1.5	1.5	2.2
Gibbs and Dandy	fin	1.6	May 20	2	2.6	2
Goal Petroleum	fin	1	-	1	1	1
GRE	fin	28	July 4	24	41	34
M.Y. Holdings	fin	1.05†	June 20	0.85	1.5	1.25
Marley	fin	8.35◆	-	2.7	5	4.1
Martin (Albert)	fin	2.8†	-	2.6	4.2	3.9
Maxwell Commun.	fin	8†	-	8	14	14
More O'Ferrall	fin	5.4	May 31	3.9	7.2	5.2
Morrison (Wm)	fin	1.5	May 27	1.2	2	1.6
Norish	fin	7.3♣	May 10	6.1	10.5	9.1
Ocean Transport	fin	7.01†	June 1	6.1	10.35	9
Quick (H&J)	fin	6.25†	-	3.25	8	4
Relyon Group	fin	3.25	May 31	2.63*	4.9	3.98
Spear (JW)	fin	6	July 1	6	6	6
Standard Chart	fin	22.5	May 20	22.5	35	35
Stanley (AG)	fin	2.1†	May 20	1.75	3.75	3.25
Sun Life Assur.	fin	22.2	-	18.1	33.64	28.5
Tilbury Group	fin	7†	-	5	9.2	6.8
Turriff Corp.	fin	6.7†	-	8.3	10	8.8
Utd Newspapers	fin	12†	-	10.5	19	18.5

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. ♦Third market. ◆Carries scrip option. ♣Irish currency throughout.

Coates Bros up 53% to near £22m

A broad-based improvement across the group substantially lifted 1987 taxable profits at Coates Brothers, manufacturer of printing inks and supplies for the printing industry, synthetic resins and industrial surface coatings.

Profits were raised 53 per cent to £21.89m (£14.27m) on turnover up to £209.41m (£194.42m).

After tax of £8.5m (£6.05m), earnings moved up to 31.95p (19.44p).

A second interim of 5.5p was announced in January, making a total for the year of 7.7p (5.7p).

The share of profits of related companies came out at £1.5m (£246,000), of which Prisma of Spain and Coates Italia contributed £1.2m.

Coates completed in February the acquisition of Lorilleux International, a European manufacturer of printing inks.

Blue Arrow seeks ADR listing on NY market

By Philip Coggan

Blue Arrow has applied to have its American Depository Receipts listed on the New York Stock Exchange - as had been indicated by Mr Tony Berry, the chairman, at the annual meeting earlier this month.

However, the listing was not accompanied by the sale of any of County NatWest's 9.4 per cent holding. The County stake, acquired after the bank backed Blue Arrow's successful $1.3bn bid for Manpower, is widely perceived to be "hanging over" the stock's progress.

County had to make a $48m provision for the fall in value of its Blue Arrow stake following the stock market crash. But the bank said yesterday it had no immediate plans to sell its holding.

Mowlem purchase

John Mowlem is buying Wainwright and Gibson, a Merseyside-based electrical engineering contractor with special skills in instrumentation engineering and programmable logic control systems, for £4.5m in cash and shares.

Bluebird Toys

Bluebird Toys has agreed to acquire Merit Toys, a well-known manufacturer of toys, games and science kits, for £1.67m with a vendor placing of shares. At the same time, Bluebird is issuing a further 142,857 shares to raise £400,000.

Merit, with major character licences including Thomas the Tank Engine and Postman Pat, produced pre-tax profits last year of £276,000 on sales of £4.3m.

Norton Opax buy

Norton Opax, printing group, is buying the specialist and commercial printing operations of Printpac in New Zealand for NZ$21m (£7.8m). The company is a 50/50 joint venture between Brierley Investments and Carter Holt Harvey and the part being acquired is forecast to produce profits before interest and tax of NZ$4.5m (£1.6m) in the year to March 31.

Boddington profit remains static in declining market

BY FIONA THOMPSON

DECLINING volumes, a changing customer profile and reorganisation costs held profits of Boddington Group, the Manchester-based brewer, to £14.46m for the year to January 2 1988 - just marginally up on last time's £14.42m.

Earnings per share rose from 9.89p to 10.51p.

Turnover increased from £87.24m to £91.20m. "The north-west market is still in decline but the signs are that the decline is slowing," said Mr Ewart Boddington, chairman.

The collapse of the traditional heavy manufacturing industries in the north-west had taken traditional ale drinkers with it. Lager now accounted for 23 per cent of Boddington's volume - 9 per cent up; mild took 12 per cent, stout 2 per cent, and bitter the balance.

The company has 180 managed houses, 310 tenanted and 25 where it manages the catering. A total of £3.5m was spent on refurbishing and improving catering facilities in the year and the company plans to spent an additional £4m in 1988.

Property disposals contributed £1.09m (£1.37m). An extraordinary debit of £3.3m (£229,000 credit) was due to costs of closing the bottling operations in Liverpool and the disposal of Whynot Wine Warehouses last autumn.

The company was expanding further into catering and planned to increase to 19 its Henry's Table outlets by the end of this year. "We will also add bedroom blocks to suitable outlets," said Mr Boddington.

Beer production was being rationalised with the closure of the Oldham brewery, and distribution has been contracted out to TNT.

The tax charge was £3.69m (£4.53m). A final dividend of 2.5p was recommended, making a total 3.97p for the year (3.7p).

● **comment**

These figures were slightly better than the City expected after the disappointing first half and the shares closed 2p off at 138p last night. Last autumn's bid threat appears to have acted as a strong impetus for making changes to cut costs, which the move to TNT and the Oldham closure will certainly do. The past year has been one of heavy investment in future expansion, away from the core brewing business into the retail - catering and hotel - side. After its heavy growth in the 1970s the company rested on its laurels somewhat, and has a lot of catching up to do. It is certainly on the right path, but the jury is still out. At £16m for this year, the prospective p/e is about 12.5, not cheap.

Ealing Electro profits fall after second half loss

BY PHILIP COGGAN

A SHARP downturn in the second half caused full year pre-tax profits at Ealing Electro-Optics, USM-quoted electrical equipment manufacturer, to slump to just £68,000 from last year's £1.27m. But hints that the group may be taken over helped the share price move up 8p to 51p yesterday.

Delays in manufacturing and a change in product mix caused a decline in gross profit margins and product rationalisation costs resulted in an exceptional debit of £210,000. In addition, the weakness of the US dollar knocked £340,000 off profits. The combined effect was a second half pre-tax loss of £381,000; the final dividend is being cut to 0.8p (1.5p), making a total of 1.5p (2.2p).

However, Mr Sandy Saunders, chairman, said that the year-end order book was at a record level and orders had increased in 1988.

Mr Saunders was part of an investment group, Sagemill, which moved into EEO last year. The group had initially planned to use EEO as a vehicle for acquisitions but October's stock market crash ruined those plans and Mr David Hill, the stockbroker who was briefly chief executive, has now left the board. Around £100,000 of extraordinary debits of £395,000 relate to the costs of an unconsummated acquisition.

EEO now says that it has been in discussions with a number of organisations which could result in the company becoming part of a larger grouping. However, there are currently no firm proposals being negotiated which require a further announcement.

SEP £2m rights

SEP Industrial Holdings, the engineering group, is raising £2m via a one-for-three rights issue of 7.33m shares at 30p per share.

The funds will be used to expand the business and reduce short term borrowings. The shares closed unchanged at 31p.

UK COMPANY NEWS

David Lascelles takes a close look at the problems which have beset Standard Chartered

Still many hazards on the road to recovery

STANDARD Chartered did not, as it turned out, become the first major UK bank in living memory to cut its dividend yesterday.

But that was not being read in the City as a sign that the group's well-known troubles are over. At best it means that Standard has hit bottom; the long trip back up to the surface still lies ahead.

Sir Peter Graham, the chairman, admitted that it was a tough decision: the bank can barely afford to pay a dividend at all, and there are a number of technical reasonslike tax which make it specially costly.

But the board felt sufficiently encouraged by the prospects for 1988 to give out a positive signal. The bad debts have been provided for, management is being beefed up, and a new strategy is in place.

Although Standard Chartered's pre-tax loss of £274m looks unexceptional beside losses at Lloyds Bank of £248m and at Midland of £505m, its problems remain relatively much more severe because of the weakness of its balance sheet and the lack of solid core businesses like the clearers.

All Standard'e capital ratios lag far behind the other banks'. At the end of last year the ratio of primary capital to total assets was 5 per cent, against 5.9 per cent for Barclays, the lowest of the Big Four, and well over 7 per cent for both Lloyds and Midland. The ratio of equity to total assets was 2.8 per cent, only half the level of most other banks.

These ratios will all be boosted later this year when Standard gets the proceeds from the sale of its US operations which it was forced to sell to raise cash. But that will still leave a capital shortfall estimated at some £300m.

Part of this will come through profit retentions and a few minor disposals. But a rights issue of some £200m in the latter part of this year is now very much on the cards.

Sir Peter insists that Standard will be able to meet the new capital adequacy levels being set under international agreement by the Basle Committee by the middle of this year even though they do not come fully into force until 1992.

Standard Chartered's management is also being overhauled. The resignation earlier this month of Mr Michael McWilliam, the chief executive, paves the way for the arrival of Mr Rodney Galpin, the senior Bank of England official who will become executive chairman.

Mr Galpin has yet to prove whether he has the skills to run a commercial bank, but Sir Peter said yesterday he had shown "a very commercial attitude" as executive director for banking supervision.

Sir Peter also said that the receding threat of a renewed takeover bid by Lloyds Bank had made it easier for Standard to recruit new talent from outside and build up a fresh management team.

A key figure in management is Mr Bill Brown who is in charge of the banking operations, and is now chairman of a newly centralised credit committee which will keep a closer eye on the group's lending which has been the cause of so much trouble in the past.

The future strategy of the bank, he said yesterday, would be to build on Standard's strong position in 19 countries which it had in many cases occupied from colonial times more than 100 years ago.

"Insufficient weight is given to the value of our overseas business," he said. He specially cited Standard's strength in the "middle market", its international distribution network, trade and project finance and specialities like foreign exchange and bullion.

But Standard's international network still has a sprawling, colonial look to it, and a key goal is to build a stronger base in the UK. Although nearly half last year's profits came from the UK, this is partly because the regions fared badly, and partly because Standard books a lot of international business in London.

UK growth will come mainly from servicing the middle market and developing foreign exchange and bullion trading.

There are no immediate plans to get more deeply into the retail banking business, though Sir Peter said Standard still nursed its long-held ambition to team up with a building society. Chartered Trust, the group's finance house, already supplied banking services to 20 societies, he said.

Aside from giving Standard a firmer footing, a larger UK operation will also enable it to offset more foreign tax and improve its bottom line. "A pound earned here is worth more than a pound earned abroad" said Sir Peter.

A relatively larger UK business would also reduce Standard's exposure to currency fluctuations which cut deep into operating revenues last year.

But the task of getting Standard into better operational and financial shape could take years, and the presence of the "white squire" shareholders who rescued it from Lloyds makes management uneasy.

Sir Peter said yesterday that Sir Y.K. Pao and Mr Robert Holmes à Court, who between them own nearly 30 per cent, "have been very supportive", though one effect of a rights issue could be to reduce their stake.

DIVIDEND MAINTAINED DESPITE PRE-TAX DEFICIT OF £274M

Loan losses, provisions for doubtful debts and currency effects pushed Standard Chartered into a pre-tax loss of £274m last year, compared to a profit of £254m the year before, writes David Lascelles, Banking Editor.

After tax and minorities, the loss was £345m, down from a profit of £151m.

The profit before exceptional items was £168m, down from £254m the previous year because of the rise of sterling against the currencies of countries where Standard does business.

There was also a sharp increase in the charge for bad debts in the Asia pacific region, notably Malaysia, and in Canada. The largest regional contributor was the UK with £118m.

The exceptional items consisted mainly of a £520m charge against £2.5bn of loans to troubled countries. These brought provisions up to 32 per cent on Standard's £1.7bn exposure to 28 developing countries, and 8 per cent on £739m of loans to four developed countries, including South Africa where the provisions amount to five per cent.

Except for South Africa, the provisions are at the high end of the Bank of England matrix, and are in line with provisions made at other clearing banks.

Other operating costs in the group declined. During the year, Standard realised some £250m from the sale of land, its South African interests and other investments.

Proceeds from the sale of its US businesses are not included in the results, but will be added to the group's capital resources later this year.

An unchanged dividend of 35p is being recommended.

Sir Peter Graham — a tough decision.

More O'Ferrall rises to £7.1m

More O'Ferrall, the outdoor advertising group, continued its strong rate of growth through the second half of 1987 and for the year as a whole increased its profits before tax from £5.24m to £7.12m.

Mr Russell Gore-Andrews, the chairman, said the improvement was due primarily to growth in two areas supported by capital investment of £5.2m.

In France the group reaped the benefits of its new national network, and improved its total site holding by some 11 per cent. In the UK the new Adshel Superlite product was successfully launched.

Group turnover for 1987 rose from an adjusted £32.96m to £38.31m generating operating profits of £7.7m compared with a previous £5.89m. Net interest payable was reduced to £582,000

After tax of £2.37m (£1.98m) earnings showed an improvement of 5.8p at 18.8p per share. A final dividend of 5.4p raises the total by 2p to 7.2p.

● comment

After Superlite, Supersite. More O'Ferrall intends to add four feet in length to 200 of its 36-foot poster sites. Each conversion costs only £500 to £600 but will translate into a 22 per cent premium if advertisers will swallow it. That is not a small "if," judging by the record for Superlite. In January, More O'Ferrall held fast to its rate card – which specifies an 80 per cent premium in this case - and didn't get a single booking for these illuminated bus shelter-size hoardings. Demand has recovered, however, and More O'Ferrall's emphasis on premium plant on premium sites will pay off if poster rates break out of a five-year plateau. Its confidence in the medium is underlined by plans to increase capital investment by 20 per cent this year. On pre-tax profits of £8.5m, the shares stand on a prospective p/e of 9.5p. This is in line with the sector, but a current yield of 5 per cent – with likely dividend growth to come – has its attractions.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Blenheim Exhibitions, Royal Trust Dollar Income.

Finals- Acorn Computer, Beacon Group, Elys (Wimbledon), M&W Computers, Senior Engineering, Triplevest.

FUTURE DATES

Interims-

Beckman (A.)	Apr 6
UDO Holdings	Apr 6
Finals-	
AFV	Apr 13
Amersham International	Apr 12
Anglo Eastern Plantations	Apr 6
Capital & Regional Props	Apr 14
City of Oxford Inv Tst	Apr 11
Davis (Godfrey)	Apr 14
Finlay Packaging	Apr 6
Follets Group	Apr 6
Halsons of London	Apr 8
Highcroft Investment Tst	Apr 11
KCA Drilling	Apr 5
Kleinwort Benson Sterling	Apr 7
Assel Fund	Apr 8
Laporte Industrial	Apr 8
Lec Refrigeration	Apr 20
Metsec	Apr 7
Wayne Kerr	Apr 7

Trust raises stake in M&G

BY NIKKI TAIT

THE shadow-boxing at M&G Group, Britain's largest unit trust company, entered a new round yesterday as the Esmee Fairbairn Charitable Trust reaffirmed its support for the company's continuing independence and announced that it had acquired a further 625,000 shares.

This purchase takes the trust's stake to 31.65 per cent, compared with just under 31 per cent previously. It comes in the wake of some steady stake-building by Bond Corporation, the Australian company headed by Mr Alan Bond, during the past three months. Bond's last reported holding stood at 9.23 per cent.

Just over 5 per cent of M&G's shares are held by rival fund management group, Britannia Arrow, and small stakes of about 1 per cent apiece belong to Sir Ron Brierley and Mr Robert Maxwell. M&G has already made clear its commitment to independence and does not welcome any predatory interest. According to the unit trust group, Mr Bond has denied any intention of bidding, but has indicated that he would like a larger and closer interest in the company.

Yesterday, Mr John Fairbairn, one of the Esmee Fairbairn trustees, said the trust had made its investment decision "after taking very careful advice." One of the many factors considered, he added, was the need to protect its existing holding. This, he pointed out, had tended to be diluted through the issue of shares for employee share schemes and the like. In the early-eighties it stood at 32.5 per cent.

Relyon ahead

Relyon Group, mattress manufacturer, raised pre-tax profits for 1987 to £3.98m (£2.88m) on turnover of £31.25m (£25.7m). Earnings 16.41p (10.68p) per share. Final dividend of 2.25p (1.625p), making 4.9p (3.975p).

UK COMPANY NEWS

US video duplication deal boosts Rank shares

BY NIKKI TAIT

SHARES in Rank Organisation, leisure and entertainments group, rose 12p to 697p yesterday as the company announced plans for a $100m-plus acquisition in the United States, which will give it the largest video duplication business worldwide.

Rank said that agreement has been reached in principle for the acquisition of the video duplication operations owned jointly by Bell & Howell, the US educational publisher and information services concern, Columbia Pictures Entertainment, and Paramount Pictures Corporation, part of the Gulf & Western group.

The purchase is still subject to contract and appropriate regulatory approvals. According to Rank, the likely consideration – cash plus the additional debt which it assumes as a result of the deal – will be around the $120m-mark.

The deal came to light as a result of papers filed with the US authorities on Tuesday by Bell & Howell, which is currently subject to a $678m leveraged buyout. As e result of that deal, the buy-out group – led by members of the Texan Bass family – has already indicated that non-core assets were likely to be sold to reduce debts.

Yesterday, Rank said that it had been talking to the three owners of the business for about nine months, but that the trio had taken some time making up their minds about the sale.

No sales or profit figures for the US business are currently evailable. However, Mr Michael Gifford, Rank's chief executive, said yesterday that it accounts for ebout one-third of the US video dnplication market – which, at present, totals about 117m video cassettes a year.

Rank already operates the largest video duplication business in Europe, and the two operations together will produce some 70m cassettes out of the worldwide total of 190m.

Long-term contracts with Columbia and Paramount would remain in place after the deal, added Mr Gifford. He also predicted strong growth for the US business; the market, he pointed out, has trebled in two years and is forecast to double again in another four/five years.

In addition, Rank believes that the acquisition's US customer base will tailor nicely with its own European interests – which already service some of the "Hollywood majors" – allowing the British company to offer a global service.

This will be the second significant US aquisition by Rank this year. Earlier this month, it announced the $180m purchase of Anhert Enterprises, e leading American caravan park operator. Although the details have yet to be unveiled, the feeling amongst analysts yesterday was that it would be unlikely to produce any earnings dilution and was probably being bought on an earnings multiple in "the low teens".

Arcolectric surges

Pre-tax profits surged at Arcolectric Holdings for 1987 from £245,449 to £612,432 on turnover ahead from £7.1m to £8.89m.

The directors recommend e final dividend of 0.46p, making a total of 0.88p (0.72p). Earnings per share surged to 6.19p (2.36p).

Stanley expands by 64% to £5.28m

A G Stanley Holdings, the acquisitive Fads and Decor 8 decorative products retail chain, yesterday reported a 64 per cent expansion in taxable profits to £5.28m in the 12 months to January 3 1988.

The increase was achieved despite poor retail sales during the summer months according to Mr Malcolm Stanley, chairman. He stated, however, that the group's wallpaper mill again made an increased contribution to profits and also increased sales to outside customers both in the UK and overseas.

The purchase of Jacoa Group last August for £26.5m brought another 179 outlets into the group. During the year, Jacoa made profits of £2.65m, although £1.07m of this amount was pre-acquisition and therefore not consolidated in group profits.

Since the year-end, Stanley has acquired the 139 outlet-strong Home Charm chain from Harris Queensway – a move which strengthened the group's presence in Scotland and the north of England. Mr Stanley said that integration of stores from both Jacoa and Home Charm was progressing satisfactorily. Current trading showed an 11.5 per cent sales increase over 1986 and gross margins had also improved, he added.

Turnover for 1987-88 rose from £64.64m to £83.84m. After tax of £1.94m (£1.22m), earnings per 5p share increased by 47 per cent from 7.52p to 11.04p.

A final dividend of 2.1p is recommended, making 3.75p (3.25p) for the year.

Tadpole Technology profit surge

Tadpole Technology, designer and developer of processing systems for the electronics, computing and office automation industries, raised its 1987 pre-tax profits from £72,806 to £348,257. Turnover more than doubled to £2.56m.

The directors expect the rate of growth to continue through 1988.

Mr Bob Gilkes, chairman, said the company was planning to acquire the outstanding 64 per cent of Tadpole Technology Inc., its Californian distributor, and was also making e £500,000 cash call partly to fund its international expansion.

Tadpole Technology was founded in 1984. Its shares are traded on the over the counter market.

Renwick rises

Pre-tax profits of Renwick Group rose from £4.11m to £5.38m on turnover up from £32.31m to £41.5m for 1987. Earnings per share 32.2p (26.6p). There is no ordinary dividend.

Marley's recovery continues and year-end profits soar 62%

BY DAVID WALLER

Marley, tile and brick manufacturer, yesterday furnished further evidence of its recovery with the announcement of a 62 per cent increase in 1987 pre-tax profits.

It also declared a new strategic objective, having completed the reorientation of its business towards building materials. Marley intends to double the size of its automotive components activities – currently 10 per cent of turnover – within the next three years.

Last year's taxable profits advanced by £21m to £55m, operating profits by £19m to £61m. Turnover edged up by only two per cent to £566m, and earnings per share moved from 8.8p to 14.2p.

During 1987, Marley bought Nottingham Brick for £41m, and two smaller companies for a total of £10m. It also disposed of three companies, giving rise to an extraordinary profit of £9.35m.

Acquisition-accounted for nine and a half months, Nottingham Brick contributed some £3m to the pre-tax figure. Profits include a full year's contribution from the two major ecquisitions in 1986, Thermalite and General Shale.

Mr George Russell, chief executive, said that conditions in the UK housing market had been and would continue to be buoyant. He asserted that the company's US interests, which accounted for £10m of operating profits, would remain invulnerable to the downturn in US housing starts.

He revealed that in January this year the company had secured a £7.5m profit on the disposal of e 28-acre plot of land in Poole, Dorset. He said that property profits of this order of magnitude could be expected over the next few years.

After a final dividend of 3.35p per share, the final payout for 1987 will be 22 per cent ahead at 5p.

● comment

Marley has clearly shrugged off its torrid past. A judicious reshuffling of its businesses over the last two years leaves it with a strongish balance sheet (gearing now about 20 per cent), vastly improved operating margins (up from 7.5 to 10.7 per cent last year) and a confident approach to the future. The current year is unlikely to provide another windfall in the form of a tile-denuding hurricane, but the UK construction materials market seems set to remain vigorous. The US is e different matter: however ingenious the chief executive's arguments, demand for General Shale's bricks seems set to contract as the number of housing starts declines. Taking into account property profits, Marley should make £72.5m, putting the shares on a prospective p/e of 8½. About a point below the sector: e discount likely to be eliminated only as Mr Russell shows an ability to manage growth (particularly in the eutomotive sector) as well as recovery and restructuring.

Tilbury profits rise to £9m

Tilbury Group, the west Sussex construction and property concern, continued to make strong progress through the second six months of 1987 and for the year as e whole raised its profits from £5.28m to £8.89m at the pre-tax level.

Turnover rose from £108.4m to £140.18m and the directors said that currently, demand was buoyant. They edded that the benefits of ecquisitions in properties made during the year had yet to show through.

By division profits broke down as to construction £4.25m (£2.6m), property £5.42m (£2.17m), manufacturing £150,000 (£562,000) and parent company loss £350,000 (nil).

Net interest payable accounted for £580,000 (£63,000) and tax for £2.8m (£1.83m). Extraordinary credits totalled £3.93m (£6.68m).

Earnings per 25p share amounted to 30.7p (20.8p) and a final dividend of 7p lifts the total from 6.8p to 9.2p.

● comment

By emphasising specialist higher-margin work such as piling, Tilbury has taken the right course for e medium-sized contractor which otherwise might find itself squeezed between the cost advantages of the two extremes. This should continue under the new generation of top management, as will efforts to build more houses in south-east and south-west England. Tilbury will get the first benefit of the Portal acquisition this year with the completion of the next phase of retail redevelopment of the former Courtaulds factory site in Aintree, Liverpool. Assuming pre-tax profits of £12m, the shares stand on e prospective p/e of 8.4. Govett Strategic Investment Trust's disposal of its 20.3 per cent Tilbury stake in December 1986 sparked six months of takeover speculation after which Raine Industries finally went away. Govett has now returned to build up e holding of more than 6 per cent, but it is too early to expect e renewal of bid fever.

A.Martin up 18% despite knitwear loss

BY ALICE RAWSTHORN

Albert Martin Holdings, the clothing group, yesterday announced an 18 per cent increase in pre-tax profits to £2.1m in 1987 on turnover which rose by 20 per cent to £52.6m.

The group fared well with its underwear and leisurewear manufacturing in the UK, but sustained e loss in its knitwear business.

Earnings per share for 1987 rose to 12p (11.9p). The board proposes to pay e final dividend of 2.8p making 4.2p (3.9p) for the full year.

The only area of difficulty in the UK was in knitwear. This business has now been reorganised so that its activities will be directed towards supplying UK multiple retailers, rather than its traditional US customers. Costs have been cut and capacity reduced by a fifth. Albert Martin plans to source knitwear overseas to supplement its UK output.

In January the group bought e dyeing and finishing plant in Derbyshire. It is now investing in new machinery for the plant. It is also spending £500,000 on the expansion of its knitwear and leisurewear operations.

Overseas, Albert Martin was affected by the decline of the Hong Kong dollar which restricted the profits growth of its Far Eastern plants, which manufacture women's and girl's nightwear, from 60 to 44 per cent. It plans to spend £1.3m over the next year or so on increasing capacity in Sri Lanka and Macau and on a new plant in Dubai.

Mr Michael Kidd, chairman, said that the group is now running at full capacity and that he was "very happy" with the pace of trading so far in 1988.

Margin rise helps Wm Morrison to £25.73m

Wm Morrison Supermarkets increased its turnover from £423.31m to £482.11m during the year to end-January and for the period saw its profits improve by a little over 21 per cent to £25.73m pre-tax.

Of the 14 per cent advance in turnover, which excluded VAT of £31.98m, new stores accounted for 7 per cent of the increase and inflation for 2.6 per cent.

Earnings worked through at 17.16p (14.37p), after tax of £8.88m (£7.86m), and a final dividend of 1.5p raises the total by 0.4p to 2p per 10p share.

The directors said the Bradford-based group was well advanced in its major expansion programme and added that as a result of the successful £46.7m preference share issue last year had access to adequate funds to continue its growth.

Currently, sales were running some 23 per cent in excess of last year.

At year-end the group operated 38 stores and planned to be operating 43 by the end of 1988 with an average 32,000 sq ft of retail space.

Portals sees profits drop for first time in 19 years

BY ANDREW HILL

A FIRST half drop in orders for banknote paper and delays in water treatment contracts combined to cut profits at Portals Holdings, papermaking and water treatment company, for the first time in 19 years.

The group made £21.1m before tax in the year to December 31, 16 per cent down on profits of £25.05m in 1986. Turnover fell to £200.01m (£212.79m) and earnings per share decreased from 27.79p to 25.56p.

Mr Julian Sheffield, chairman, said that earlier cutbacks in the number of machines and staff working at the Overton Mill plant were reversed in the second half, as demand for watermarked and threaded paper increased.

Full capacity was restored by the end of 1987, but the papermaking division's trading profits still fell more than 36 per cent to £7.98m (£12.5m) on turnover of £54m (£61.4m).

Mr Sheffield said Portals hoped to reduce its dependence on large contracts for the water treatment division, where trading profits dropped to £5.29m (£7.5m), by developing sales for standard plant and products.

Portals signalled its confidence in the future by recommending a final dividend of 6.2p, making 9.1p (8.5p) for the year.

● comment

These figures were slightly worse than expected and Portals shares shed 3p to close at 260p last night, a total drop of more than 30p in the past fortnight. During 1988, watermarks and water treatment will remain the group's strongest earners, although some worthwhile diversification is in progress. Water treatment – once earmarked for sale – is likely to stay depressed, despite the group's determination to alter the balance of its activities, but papermaking should have a smoother ride and Portals is investing £11m in new machinery at Overton Mill, to be installed by 1989. Pre-tax profits this year may top £25m, restoring some of Portals' pride. Bid hopes, founded on Sir Ron Brierley's 3.4 per cent stake in the company, continue to hold the share price up, and a prospective p/e of about 10 still looks expensive.

H & J Quick sharply higher

SHARPLY higher profits were returned by the H & J Quick Group for 1987, a performance which Mr Norman Quick, chairman, said more than justified the strategic decisions taken in the mid-1980s. The year saw turnover pushed ahead from £119.58m to £134.42m and profits at the pre-tax level improve by £1.68m to £2.93m.

The total dividend is being doubled to 8p on the enlarged share capital via a final of 6.25p and n one-for-one scrip issue is also proposed. Earnings rose to 38.6p (19.5p).

Mr Quick said that margins on new and used cars increased sharply, raising the profit contributed by this area from 23 per cent of total profit in 1986 to 33 per cent last year. The group, based in Manchester, is a Ford main dealer.

Gearing at year-end had been reduced from 78 per cent to 8 per cent. The £3.1m raised by last summer's rights issue was still intact and the directors considered that the money could be used in diversifying into other marques and motor trade businesses.

Gibbs and Dandy over £1m

Gibbs and Dandy, Luton-based builders' merchant, benefited from a buoyant and competitive year in the construction industry, and achieved record pre-tax profits.

In the year to December 31 1987, pre-tax profits increased from £808,000 to £1.04m. Turnover rose by 15 per cent from £19.56m to £22.45m.

Stated earnings per 10p share improved from 5.8p to 7.6p, and the final dividend of 1.6p is sightly more than forecast, and means an increase of 30 per cent to 2.6p in the total.

Mr John Dandy, the chairman, said continuing control of overheads helped improve operating margins from 4.75 per cent to 5 per cent, while a reduction in interest charges – due to reduced rates and improved operating cash flow – also assisted net profitability.

Automotive boost for AB Electronics

BY PHILIP COGGAN

DOUBLED interim pre-tax profits at AB Electronics helped boost the South Wales-based company's shares 35p to close at 413p yesterday.

Although turnover grew only 9 per cent from £89.6m to £97.6m, pre-tax profits for the six months to December 31 1987 jumped from £3.16m to £6.35m.

Three of the company's five product groups performed particularly well. Work on a low current switching system for Jaguar helped move the automotive group from losses into profits. Mr Peter Phillips, the company's chairman, would not break down profits by sector, but he said that the swing in automotive profits was "more than a million pounds."

There were also strong performances from the assembly and components divisions. But the aerospace and defence group suffered from a slowdown in defence spending and the telecommunications group was affected by a depressed market place.

During the year, AB acquired Plessey Connectors and Swansea Industrial Components. It has also entered into a joint venture with an American company, Flexotronics and is setting up n trading subsidiary in Japan.

Operating profits were £7.12m (£4.06m) and after interest paid of £782,000 (£901,000) and taxation of £2.26m (£1.21m), fully diluted earnings per share were 17p (9.2p). The interim dividend is being raised to 3p (2p).

● comment

It has been rare, in recent years, for an electronics company to produce profits that far exceed expectations and thet makes these excellent results from AB all the more welcome. AB has seen the bad times of the UK electronics industry thanks to its links with Acron and Sinclair; it continued to invest in new plant and equipment and its persistence is now paying off. The low current switching system for Jaguar, which has cost the automotive division a lot of money in the past, is a prime example. Given that the second half is traditionally the stronger, the prospects for AB's full year figures look extremely good; £15m pre-tax would put the shares at 413p on n prospective p/e of 10. That looks a modest rating since the company has managed to produce these excellent figures despite the weakness of the defence and telecommunications sectors.

Turriff virtually doubled

THE restructuring that had been necessary at Turriff Corporation two years ago had been completed with the benefits being reflected in the results for 1987, said Mr Astley Whittall, chairman.

Pre-tax profit at the group, which has interests in construction, plant and equipment hire, maintenance, and information and marketing services, increased by 93 per cent from £1.25m to £2.41m on turnover advanced 33 per cent from £53.22m to £70.82m. After tax of £806,000 (£217,000) earnings were increased by 45 per cent to 30.8p (21.2p).

The directors have recommended a final dividend of 6.7p for a total year of 10p (8.3p). They have also recommended a one-for-five bonus issue and, subject to unforeseen circumstances, they intend to maintain the dividend on the enlarged capital.

British Syphon expands by 55% to £4.28m

British Syphon Industries, Cheshire-based industrial group with manufacturing and merchanting interests, lifted pre-tax profits 55 per cent from a restated £2.77m to £4.28m in 1987.

The directors are recommending a final dividend of 2.66p (2.33p) for a total ahead from 4p to 4.5p. Earnings per 20p share came out at 10p (7.9p).

Sales for the period were 20 per cent up at £136.23m (£113.12m) and the pre-tax result was after lower interest charges of £2.43m (£2.85m).

P Polythene, acquired last September, achieved profits of £37,000, the chairman said, against the forecast of £160,000.

Tax took £1.08m (£678,000) and minorities £30,000 (£3,000). There was a £807,000 extraordinary debit (£2.59m credit).

M.Y.Holdings up 31%

M.Y. Holdings, a packaging and consumer goods group, returned profits of £2.77m pre-tax for 1987, an improvement of 31 per cent over the previous year's £2.1m.

Turnover advanced from £30.75m to £37.13m. Tax accounted for £942,000 (£77,000) and from earnings of 5.22p (1.94p) shareholders are to receive a total dividend of 1.5p (1.2p), the final being 1.05p.

Mr Paul Marks, chairman, said the group had developed a stronger basis for future growth, both organically and by acquisition.

He expected further progress in 1988 and pointed out that the financial position of the group would enable it to take advantage of suitable acquisition opportunities.

M.Y. had experienced encouraging demand for its products in the early part of the current year.

Scrabbled JW Spear down 26%

Reduced sales and adverse currency movements resulted in J W Spear & Sons, games and toy manufacturer, reporting pre-tax profits of £380,000 for 1987 - a reduction of 26 per cent on the previous year.

The outcome was also affected by the costs of a major face-lift for Scrabble, the group's lead board game.

Turnover for the period fell from £9.92m to £9.63m. After tax of £150,000 (£215,000), earnings per share worked through at 5.69p against 7.33p last time.

The directors propose a maintained single dividend of 6p.

Holders Technology for the USM with £4m tag

By Philip Coggan

Holders Technology, a distributor of specialist products used in the manufacture of printed circuit boards, is joining the Unlisted Securities Market.

Singer & Friedlander is placing 920,000 shares, 31 per cent of the equity, at 140p per share, valuing the group at £4.2m.

Holders was established in 1973 by its Austrian chairman, Mr Rudi Weinreich. It distributes high precision drills and other equipment made by West German and US manufacturers to companies mainly in Scotland and the North of England.

The proceeds of the placing will be used to develop the group's business in West Germany.

Gross margins are quite high (30 per cent last year) because of the specialist nature of the equipment.

Pre-tax profits have risen from £312,000 in the year to November 30, 1985 to £502,000 last year, putting the shares on a historic p/e of 11.5.

The directors are forecasting a gross dividend yield of 5.7 per cent.

COMMODITIES AND AGRICULTURE

EC Farm Ministers agree moves to curb wine output

BY DAVID BUCHAN IN BRUSSELS

IN THE early hours of yesterday morning EC Agriculture Ministers agreed measures to curb wine output, thus completing the range of "budget stabilisers" for virtually all key Community agricultural products.

Lack of agreement on how to drain the EC wine lake of excess production had been the one major hang-over from the Brussels Summit, where heads of government merely pronounced themselves in favour of "deterrent prices" discouraging wine growers from adding to the Community's chronic surplus.

At the February Summit and since stabilisers have been agreed for cereals, oil seeds, milk, sheepmeat, sugar, olive oil, tobacco, cotton, and fruit and vegetables. Following yesterday's breakthrough on wine, it is now possible that farm ministers can sign the legal regulations on all these stabilisers at their next meeting in Luxembourg next month.

The agreement on wine provides some hope for curbing what is the Community's largest surplus in relation to EC consumption. Last year EC growers produced 133.1m hectolitres, of which 34m were distilled into industrial alcohol. A key feature of the new agreement effectively halves the price to be paid for wine for distilling.

Under the current system, the Commission decides each year the level of "normal", or human, consumption (100m hectolitres last year), and orders the rest to be compulsorily distilled. At present growers get 50 per cent of the usual wine guide price for the first 12.5m hectolitres, and 40 per cent for the rest. The farm council secretary decided that by 1991 the 50 per cent distilling prices should only be available for the first 10m hectolitres, and that only 7.5 per cent should be paid for the remainder. The average of this would be roughly half the average distilling prices growers currently get on a comparable harvest.

While the fight over distilling prices was a relatively straight tussle between producing and non-producing countries, the Commission's proposal for a 20 per cent increase in premiums for the grubbing up of vines produced schizophrenia on the part of some producers, notably Spain. While wanting higher premiums in general, they did not want them made too attractive to their own producers. Spain was worried that increased premiums could result in the desertification of land too poor to grow anything but vines.

In the end, ministers agreed to increase premiums by 20 per cent for high-yielding land but less for low-yielding land, to let member states exempt up to 10 per cent of their potential wine-growing land from the scheme, and to permit Spain to phase in the premium increases at a slower rate.

A final point of compromise was to finance it all jointly out of EC agricultural guidance and guarantee funds. This annoyed various southern delegations, notably that of Portugal, which generally want the guidance fund reserved for other purposes. But Portugal was outvoted.

Once the stabilisers are agreed, the focus will switch to the 1988-89 price-fixing negotiations. These are not expected to get underway seriously until May, after the French presidential elections. Once they do, agri-monetary issues are likely to come to the fore, even though the Commission has proposed a reduction in negative monetary compensatory amounts (MCAs) for Greece alone.

Mr John Macgregor, the UK agriculture minister, complained this week that the Commission was being discriminatory in not proposing a green pound cut for Britain, with the second highest level of negative MCAs behind Greece, and called on the Commission to take a general step this year towards the goal of abolishing all MCAs by 1992.

Rustenburg to speed up platinum development

By Jim Jones in Johannesburg

RUSTENBURG Platinum, South Africa's largest platinum producer, is to accelerate the establishment of a new platinum mine centred on the Maandagshoek farm in the black homeland of Lebowa. Work on the mine is scheduled to start this July and be completed in 1991.

Dr Fred Roux, Rustenburg's general manager, said in Johannesburg yesterday the mine would process 100,000 tonnes of ore a month to produce 190,000 troy ounces of platinum group metals a year. Originally the new mine was expected to process only 50,000 tonnes month of ore a month.

The new mine forms part of an overall consolidation of the Rustenburg group's mineral interests on the eastern limb of the Bushveld Igneous Complex and includes the proposed establishment of another mine within a few years and further expansion of the Atok platinum mine. Together the three developments are likely to add more than 300,000 ounces of platinum group metals to the amount mines each year by Rustenburg.

Though Rustenburg will manage and establish the Maandagshoek mine, it will be owned by Potgietersrust Platinum which, in turn, will be equally owned by Rustenburg and Lebowa Platinum (Leplat), a Rustenburg offshoot in which the Lebowa Government has an interest.

The consolidation involves acquisition and exchange of mineral and mining rights along the Merensky and UG2 reefs running west and south-east of Leplat's Atok mine and further south around the Maandagshoek farm. The transactions include plans to lift Atok's monthly ore processing rate to 70,000 tonnes within two years of the mine completing its current expansion to 50,000 tonnes a month.

Yesterday Dr Roux said the mineral rights adjacent to Atok contained an estimated 200m tonnes of platinum-bearing ore at depths of less than 300 metres. A further 100m tonnes were estimated to exist at depths of less than 200 metres over mineral rights in Lebowa near the north-eastern Transvaal town of Potgietersrust.

● Lefkochrysos, the platinum mine being established near the Transvaal town of Brits by the Golden Dumps group, believes it has proved a novel process to recover platinum from the UG2 reef and says that the first metal will be produced in October – four months earlier than planned.

Mintek, the state-owned minerals processing research facility, says it has successfully tested a high-temperature recovery process using Lefko's UG2 ore and that the scale-up of the smelting process to full plant scale operation should be straightforward.

US grain reserve policy under fire

BY NANCY DUNNE IN WASHINGTON

MR RICHARD LYNG, the US Agriculture Secretary, is coming under heavy congressional pressure to rescind a ruling which would send billions of bushels of farmer-owned surplus grain flowing out into the market place or into government hands this year.

Members in both the House of Representatives and the Senate are prepared to act legislatively unless the Secretary reverses a ruling that the US Department of Agriculture will no longer make payments to farmers on a large proportion of grain held in the so-called farmer-owned grain reserve. The reserve is designed to hold grain until prices rise to specified levels, but under the ruling, farmers will be forced to sell their surpluses or turn them over to the Government no matter what the price.

Once in government hands, the grain can be used as bonuses paid to grain exporters as subsidies under the Export Enhancement Programme. The EEP programme has been used effectively by the department to boost the US share of the world wheat market from 29 per cent in 1985-86 to a projected 41 per cent in 1987-88.

Congressman Byron Dorgan, a North Dakota Democrat, said USDA officials told him that the new policy meant that 358m bushels of wheat and 3bn bushels of maize would be released from the reserves over the next several months, starting this month.

Mr Lyng came under fire in a congressional hearing last week for policies which witnesses said depressed grain prices and benefited only large producers and grain companies.

Congressman Dorgan said the department's weekly grain auctions – which have put more than 300m bushels of wheat onto the market since October – and the farmers' reserve ruling represent an attempt by the Department "to manipulate the market-place."

"USDA officials have told me before that they simply try to follow the market, not lead it," he said. "But that's pretty hard to believe when the USDA regularly makes announcements that send the market up or, more typically, down five, ten or 20 cents per bushel in a day.

"The USDA seems to have decided that low prices are good for farmers, and they pursue that objective with things like the wheat auctions."

Mr Hubert Humphrey, III, son of the late vice president and now attorney general of Minnesota, accused the USDA of violating the law in order to keep grain prices low. The USDA by law must conduct its business "insofar as practical...within normal channels of trade."?

Instead, said Mr Humphrey, the Department is taking sales decisions out of the hands of farmers and taking control of their grain. The reserve policy, he said, was "just one more attempt by the Reagan Administration to drive family farmers off their land."

So much government-owned grain has been auctioned and used to fund the export subsidy scheme and other programmes that government wheat stocks are expected to plummet by 540m bushels this year, the largest year-on-year decline on record. Mr Lyng has acknowledged that unless the Government got access to more of the surplus grain, "the export recovery we are now experiencing would be curtailed."

Analysts say they cannot guess how much of the grain in the farmers' reserve will be sold and how much will be forfeited to the USDA in lieu of payment for government loans. Much depends on prices. But Mr Lyng has said that the Government expects "large quantities" of stocks to be turned over.

The USDA wheat auctions have won the backing of Mr Michael West, chairman of the Kansas City Board of Trade, providing they are used as only a short-term measure to release stocks to the market in an orderly fashion.

US wheat prices are still higher than in the rest of the world, he says.

Ivory Coast drops cocoa target

BY NICHOLAS WOODSWORTH IN ABIDJAN

THE IVORY Coast, the world's largest producer of cocoa, is abandoning its long-held policy to increase Ivorian cocoa production to 1m tons a year.

The change in cocoa policy was announced yesterday by Mr Denis Bra Kanon, the Agriculture Minister, while on a tour of production areas. It is part of a new agricultural plan affecting both export commodities and food staples.

The change is in response to falling world cocoa prices, and comes shortly after talks between producing and consuming nations of the International Cocoa Organisation failed to agree on the establishment of mechanisms to keep prices from dropping. Market prices are now at their lowest level in more than five years.

The Ivory Coast produced about 580,000 tonnes of cocoa beans this season, but because of low prices has held back supplies from world markets since last June. Saddled with a long-standing policy of paying a guaranteed fixed price to farmers, it is currently losing more than US$1 on each kilogram of cocoa sold.

Mr Bra Kanon said that from now on no more land would developed for cocoa production, although efforts would continue to be made to raise the Ivory Coast's relatively low yield per hectare. Currently 1,400,000 hectares are devoted to cocoa production.

GILL & DUFFUS, the influential London trading house, has increased its estimate of the surplus of 1987/88 crop cocoa to 122,000 tonnes from the previous 77,000 tonne estimate made last November, writes David Blackwell.

The firm's latest Cocoa Market Report puts total world stocks at the end of this season at 713,000 tonnes – enough for more than four months' grindings and more than for any year since 1964/65.

An understanding of the current low prices in the world market requires little more than a simple analysis of supply and demand, says the report. Although consumption has been strong in the last two years, with an estimated 3.6 per cent increase in grindings for this year, it has been unable to match what the report describes as "the remarkable growth in production."

"Last year's severe drought seems to have had little effect on the Bahia main crop and the impact of this has to be added to rejuvenated production in Nigeria, another year of higher than expected Ivorian production and the persistent prospect of dramatic increases in output from Malaysia and Indonesia."

The change in cocoa policy comes only a week after an editorial in the government daily Fraternité Matin publicly questioned for the first time in the Ivory Coast the continuing viability of the guaranteed price system. It is speculated that this may be the first of a number of steps intended to prepare the Ivorian public for what is potentially an explosive policy change.

The Ivorian Agriculture Ministry also announced that while the country would continue to expand its coffee industry, in the future only the best lands would be developed. With 300,000 tonnes annual production, Ivory Coast is the world's third largest coffee producer.

The Minister revealed plans to increase rice and maize production to the point where Ivory Coast would become a net exporter to other West African countries by 1990. The palm oil and rubber industries are also to be expanded as part of the country's diversification effort.

Chris Sherwell on efforts to liberalise a costly marketing system

Australia battles for wheat sales overhaul

THE BATTLE to liberalise Australia's highly regulated wheat handling and marketing arrangements has entered a new phase following the publication of findings by two key panels.

Fundamental reform is being considered because the present system's inefficiencies are costly to wheat growers, who are facing financial pressure from weak prices, reduced yields and tight export markets.

Although the panels' recommendations do not go as far as some have urged, they have also attracted complaints from bodies most affected. If implemented they will certainly mean a major industry overhaul for one of the world's top three wheat exporters.

The impact would also spread beyond Australia's wheat industry, bringing fundamental changes to the country's over-regulated transport systems and furthering the Labor Government's campaign for micro-economic reform.

Of the two sets of findings, the more important comes from the Industries Assistance Commission, the Government's advisory body on assistance given to primary, secondary and tertiary industries.

The Commission examined closely the domestic and export marketing arrangements for the Australian wheat industry, along with the assistance which is given to wheat growers.

Its key recommendation was to modify the powers of the Australian Wheat Board, the country's domestic and export marketing agency.

Under this, the Board would only retain sole control of wheat exports to "prescribed" markets, defined as those where it can extract a price premium purely through being sole seller.

The change would mean private international traders could enter into direct arrangements with growers and market wheat without being dependent on the Wheat Board as the sole source of supply.

Their participation in exports is currently determined by the board. Under the new arrangements this acquisition power would not specifically be removed, but the board could only refuse to authorise sales in the prescribed markets.

According to the IAC, the plan increases the incentive for private traders to participate in and actively promote Australian wheat exports, and would bring an increase in growers' returns.

To the critics, it says the benefits of the existing arrangements – quality control and grain hygiene, for example – could be ensured through existing inspection procedures, while export promotion could be maintained through an export levy.

The IAC's proposals regarding domestic marketing reflect its view that current pooling and payment arrangements are inefficient and do not reflect actual market realisations and costs.

It suggests changes to the advance payments system, to the charges made by the bulk handling authorities, to the price underwriting mechanism and to the way the Wheat Board trades. It adds that the board's obligations to guarantee domestic wheat supplias should be removed.

Overall, growers would acquire a much wider array of marketing options than they presently enjoy, the IAC says. They can elect to sell directly to traders for cash, to store and sell later, to enter forward selling options or to form co-operatives to enhance their negotiating power and share risks.

The second panel's set of findings also points to benefits for growers, of around A$10 (£4) per tonne of grain, if its recommendations are adopted. The findings come from the Royal Commission into grain storage, handling and transport.

As with the IAC conclusions, the savings are to be achieved through the establishment of a more competitive environment, and spring from three principal sources.

The most important is new, lower-cost methods of grain distribution. The others are improved productivity from storage, handling and transport operations, and the removal of restrictive work and management practices.

According to the Commission, the current arrangements for distributing grain – involving monopolistic bulk handling authorities, highly regulated rail freight systems, insufficiently commercial ports and state-controlled marketing authorities – allow pricing practices which fail to reflect the cost of the services provided.

It says that the grain handling authorities should be restructured to compete with private storage and handling agents, that road transport should be allowed to compete with a restructured rail system, and that the ports should be made more efficient though it mostly leaves dockside practices to a separate investigating panel.

Although the Royal Commission is also careful not to stray far into the territory covered by the IAC, its proposals plainly hinge for their success on the changes in marketing arrangements proposed by the IAC.

This is not just because competitive purchasing and trading of wheat is clearly the linchpin for the whole system. It is also because implementation of the Royal Commission's recommendations depends on action by Australia's state governments, which may be more difficult to secure than federal government action on the marketing regulations.

Both the state governments and the federal government are now considering the findings of the Royal Commission and the IAC. The Royal Commission has urged that many of its specific proposals be adopted "immediately", but this seems unlikely to happen.

The IAC's recommendations, too, have yet to produce a reaction from Canberra, but here time is more pressing because the current Wheat Marketing Act expires in June 1989. This means there is just 15 months for the Cabinet to form a view, to negotiate with interested parties and to frame and pass new legislation through parliament.

If the Government decides not to accept the IAC recommendations, a major opportunity for fundamental reform will have been lost. But if it goes ahead, the pressure will quickly be on the state governments to respond to the Royal Commission's recommendations.

WORLD COMMODITIES PRICES

LONDON MARKETS

NICKEL PRICES *continued their* retranchment on the LME yesterday, with three-month metal shedding $635 a tonne to $15,415, equivalent to $6.99 a lb. Traders said there was still a lot of potential investment profit-taking, and further downside correction was likely *following the brief early morning decline* to $5.60 a lb. But European consumers appeared to be *holding off before the* Easter holiday, dealers said. Fresh demand for the second quarter was expected to re-establish the bull trend. Aluminium prices were also easier, with dealers reluctant to establish fresh positions before Easter. They are also *waiting to hear from labour talks* at Kaiser Aluminum's US smelters, where a labour contract expires today. In contrast both zinc and copper prices moved ahead on shortcovering. Meanwhile coffee prices closed down on the day after a recovery from session lows following a firmer than expected performance in the US.

SPOT MARKETS		
Crude oil (per barrel FOB)		+ or -
Dubai	$14.00-4.10w	+0.10
Brent Blend	$15.75-5.83y	+0.14
W.T.I.(1 pm est)	$17.15-7.20w	+0.05
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$167-169	
Gas Oil (Soviet)	$138-140	+1
Heavy Fuel Oil	$76-77	+1.5
Naphtha	$142-145	+1.5
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$454.25	-1.00
Silver (per troy oz)♣	669c	
Platinum (per troy oz)	$519	+3
Palladium (per troy oz)	$125.0	+1.5
Aluminium (free market)	$2820	-75
Copper (US Producer)	115⅝-18c	-4½
Lead (US Producer)	35.5c	
Nickel (free market)	890c	+30
Tin (European free market)	£3700.0	+7.5
Tin (Kuala Lumpur market)	17.38r	+0.09
Tin (New York)	310.5c	
Zinc (Euro. Prod. Price)	$950	
Zinc (US Prime Western)	01¼c	
Cattle (live weight)†	109.84p	
Sheep (dead weight)†	206.04p	
Pigs (live weight)†	65.87p	
London daily sugar (raw)	$234.4s	-2.8
London daily sugar (white)	$241.0s	-1.5
Tate and Lyle export price	£232.5	-2.0
Barley (English feed)	£105.75y	+0.75
Maize (US No. 3 yellow)	£134.0y	
Wheat (US Dark Northern)	£91.0s	
Rubber (spot)♥	62.75p	-0.25
Rubber (May) ♥	66.75p	-0.25
Rubber (June) ♥	97.00p	-0.25
Rubber (KL RSS No 1 Mar)	289.5my	+0.5
Coconut oil (Philippines)§	$510s	
Palm Oil (Malaysian)§	$402.5s	
Copra (Philippines)§	$360y	
Soyabeans (US)	£155.5	-1.0
Cotton "A" index	66.05c	+0.20
Wooltops (64s Super)	600p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. w-May. u-Apr/Sep. x-Apr/Jun. y-Apr. t-Jun/Jul. s-Apr/May. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian/Singapore cents/kg.

COCOA £/tonne	Close	Previous	High/Low	
Mar	903	901	903	892
May	910	916	921	010
Jly	932	938	939	928
Sep	948	955	956	943
Dec	973	978	977	969
Mar	996	1004	998	991
May	1017	1023	1014	1009

Turnover: 2409 (3680) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for March 29: 1208.51 (1211.10). 10 day average for March 30: 1212.43 (1214.01).

COFFEE £/tonne	Close	Previous	High/Low	
Mar	1101	1115	1110	1097
May	1134	1141	1140	1127
Jly	1159	1165	1165	1151
Sep	1183	1187	1188	1175
Nov	1205	1212	1211	1196
Jan	1227	1233	1221	
Mar	1240	1250	1242	

Turnover: 3136 (1996) lots of 5 tonnes
ICO indicator prices (US cents per pound) for March 29: Comp. daily 1979 117.75 (117.81); 15 day average 117.53 (117.56).

SUGAR $ per tonne				
Raw	Close	Previous	High/Low	
May	202.20	204.20	202.60	199.20
Aug	198.00	202.20	220.40	197.60
Oct	198.40	202.00	200.20	197.80
Dec	196.00	191.00	196.00	
Mar	197.60	202.20	100.60	196.80
White	Close	Previous	High/Low	
May	240.00	242.50	240.50	238.50
Aug	240.50	243.00	240.00	239.00
Oct	240.20	242.50	240.50	238.00
Dec	241.50	244.00		
Mar	242.50	244.00	242.00	
May	244.00	248.00		
Aug	246.00	251.80		

Turnover: Raw 1398 (2382) lots of 50 tonnes; White 1459 (1150).
Paris- White (FFr per tonne): May 1370, Aug 1371, Oct 1373, Dec 1380, Mar 1400, May 1410

GAS OIL $/tonne	Close	Previous	High/Low	
Apr	138.75	157.25	139.25	138.25
May	135.75	134.25	136.50	135.25
Jun	136.00	134.00	136.50	135.50
Jul	136.00	136.00	136.25	136.30

Turnover: 2309 (1861) lots of 100 tonnes

GRAINS £/tonne				
Wheat	Close	Previous	High/Low	
May	104.20	104.20	104.30	104.10
Jly	106.45	106.50	106.50	106.45
Sep	100.70	100.70	100.70	
Nov	102.60	102.30	102.60	102.30
Jan	104.50	104.65	104.80	
Mar	106.60	106.50	106.60	106.55
Barley	Close	Previous	High/Low	
May	105.30	104.25	105.30	104.50
Sep	97.45	97.45	97.45	
Nov	100.20	100.20	100.20	
Jan	102.35	102.35	102.35	
Mar	104.10	104.10	104.10	

Turnover: Wheat 61 (155), Barley 68 (23) lots of 100 tonnes.

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 0 tonne
Cash	2750-70	2856-65		2810-30		
3 months	2420-40	2420-30	2375	2390-410	2410-30	3,792 lots
Aluminium, 99.5% purity (£ per tonne)						Ring turnover 20,700 tonne
Cash	1517-20	1520-6	1530	1537-30		
3 months	1280-90	1295-7	1288/1287	1297-98	1289-90	45,961 lots
Copper, Grade A (£ per tonne)						Ring turnover 42,400 tonne
Cash	1310-2	1293-0	1310/1300	1300-2		
3 months	1235-6	1218-9	1250/1226	1228-9	1249-50	69,823 lots
Copper, Standard (£ per tonne)						Ring turnover 0 tonne
Cash	1260-70	1280-5		1260-70		
3 months	1200-10	1185-95		1196-205		17 lots
Silver (US cents/fine ounce)						Ring turnover 30,000 ozs
Cash	665-8	665-8	665	664-5		
3 months	676-9	676-9		674.5-5	675-80	682 lots
Lead (£ per tonne)						Ring turnover 8,400 tonne
Cash	351-3	350-2	353/352	351-2		
3 months	341-3	338-9	341/338	339.5-0.75	339-40	10,869 lots
Nickel ($ per tonne)						Ring turnover 2,010 tonne
Cash	19300-500	19500-20000	20100/19300	20000-50		
3 months	15400-30	16000-100	16000/14550	15700-50	15250-350	6,815 lots
Zinc (£ per tonne)						Ring turnover 15,100 tonne
Cash	562-4	564-6	558/585	555.5-6		
3 months	555-5.5	548-9	555.5/550	552-3	553-4	16,985 lots

POTATOES £/tonne	Close	Previous	High/Low	
Apr	122.5	127.3	128.9	122.0
May	125.0	129.0	131.0	122.5
Nov	94.0	94.0	94.0	90.5
Feb	100.0	105.0	103.0	
Apr	146.3	139.5	141.0	140.0

Turnover: 704 (760) lots of 100 tonnes.

SOYABEAN MEAL £/tonne	Close	Previous	High/Low
Apr	130.00	132.00	150.00
Jun	126.80	127.00	
Aug	125.60	125.80	125.00
Oct	126.80	127.00	
Dec	130.00	130.00	129.00

Turnover: 115 (239) lots of 100 tonnes

FREIGHT FUTURES $10/index point	Close	Previous	High/Low	
Apr	1645.0	1640.0	1650.0	1630.0
Jly	1535.0	1530.0	1539.0	1520.0
Oct	1560.0	1564.0	1561.0	1542.0
Jan	1550.0	1550.0	1555.0	1545.0
Apr	1562.5	1555.0	1582.5	1430.0
BFI	1621.5	1630.0		

Turnover: 232 (814)

WOOL
Although there are no Australian sales until April 18, wool is constantly on offer and Bradford impressions are that Merino wool is *still getting dearer. The industry in this country* is increasingly unhappy about the level of prices already reached so the possibility of more to come is not helpful. In topmaking, the most sensitive sector, new business has been very slow for two months. Stocks bought earlier in the rise still play a part, and the need to improve cash flow keeps them available. *Merino top quotations can therefore be higher* but prompt supplies at much lower levels make the increases unrealistic. Quotations are around 595p per kg. for 64s, 418p for 58s and 340p for 50s tops

LONDON BULLION MARKET		
Gold (fine oz)	$ price	£ equivalent
Close	454-454½	243½-244
Opening	454½-455	243½-244
Morning fix	454	243.810
Afternoon fix	453.75	243.454
Day's high	454¾-455¼	
Day's low	453¼-453¾	
Coins	$ price	£ equivalent
US Eagle	467½-472½	251-254
Mapleleaf	467½-472½	251-254
Britannia	467½-472½	251-254
Krugerrand	452¼-455¾	243-245
1/2 Krug	235-245	126⅝-131½
1/4 Krug	117-125	62¾-67
Angel	465-470	249½-252¼
1/10 Angel	46-51	24¾-27¾
New Sov.	107-108	57½-58¼
Old Sov.	107-108½	57½-58½
Noble Plat	534-546	288.8-290

Silver fix	p/fine oz	US cts equiv
Spot	359.30	668.85
3 months	367.00	680.25
6 months	375.00	692.40
12 months	391.15	717.10

LONDON METAL EXCHANGE TRADED OPTIONS				
Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	May	July	May	July
2350		170		
2600			112	
Aluminium (99.5%)	Calls		Puts	
2300				177
2600	122			
Copper (Grade A)	Calls		Puts	
2250				209
2350			185	

US MARKETS

Because of the extended time gap opened between the UK and the US following the introduction of British Summer Time, last night's US closing prices were not available for inclusion in this edition. The report and prices carried below are as at the close on Tuesday night.

Silver led the way in the precious metals, with overseas and local buying touching off commission house stops before trade selling at the highs led to the market closing with pared gains, reports Drexel Burnham Lambert. Gold and *platinum* tended to follow silver. Gold, however eased as *the market failed to make any* headway. Energy futures eased on technical selling and light trade profittaking in markets tending to consolidate awaiting fresh developments. Coffee firmed on short-covering, then fell on mixed selling towards the close. *Cocoa rallied in response to a tightening* of the nearby structure, while sugar eased as trade selling and price-fixing prompted long-liquidation following earlier commission house buying. The grains closed mixed as traders squared positions in advance of the forthcoming planting intentions report.

New York

GOLD 100 troy oz.: $/troy oz.	Close	Previous	High/Low	
Mar	455.4	465.8	0	0
Apr	455.6	455.9	457.8	454.5
Jun	459.8	460.2	462.0	458.5
Aug	464.2	464.6	466.0	463.5
Oct	469.0	469.5	470.7	469.0
Dec	473.9	474.5	475.3	473.0
Feb	479.1	479.7	*0*	0
Apr	484.7	485.3	485.5	485.5
Jun	490.3	490.9	491.5	490.5

PLATINUM 50 troy oz: $/troy oz.	Close	Previous	High/Low	
Apr	018.7	511.7	510.0	$14.0
Jul	524.0	518.6	534.5	516.5
Oct	529.4	521.5	528.0	525.0
Jan	535.0	527.8	534.0	532.0
Apr	*544.2*	533.8	*0*	*0*

SILVER 5,000 troy oz; cents/troy oz.	Close	Previous	High/Low	
Mar	670.5	668.5	676.0	667.5
Apr	670.7	667.7	675.0	670.0
May	675.0	671.0	683.0	670.0
Jul	683.5	679.5	690.5	678.0
Sep	691.5	687.5	697.0	686.0
Dec	704.8	701.0	713.0	699.0
Jan	708.9	705.2	0	0
Mar	718.3	714.7	725.0	719.0
May	727.7	724.3	731.0	731.0
Jul	737.8	734.5	0	0

COPPER 25,000 lbs; cents/lbs	Close	Previous	High/Low	
Mar	104.25	107.60	108.00	103.00
Apr	104.00	105.50	104.00	104.00
May	103.25	100.50	105.50	99.50
Jul	98.10	95.30	98.40	95.00
Sep	93.50	90.80	92.00	00.50
Dec	88.20	85.50	87.30	85.50
Jan	87.00	84.10	0	0
Mar	94.70	81.00	83.00	83.00
May	02.70	79.50	0	0
Jul	82.20	79.00	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel	Close	Previous	High/Low	
May	16.97	17.10	17.04	16.90
Jun	16.84	16.98	16.93	16.80
Jul	16.79	16.92	16.97	16.75
Aug	16.76	16.86	16.80	16.68
Sep	16.69	16.81	10.74	16.65
Oct	16.80	16.77	16.66	16.63
Nov	16.61	16.74	16.61	16.61
Dec	16.66	16.71	16.65	16.52
Jan	16.80	16.68	16.60	16.60
Feb	16.50	16.58	10.50	16.00

HEATING OIL 42,000 US galls, cents/US galls	Close	Previous	High/Low	
Apr	48.05	48.17	48.10	47.65
May	45.90	46.10	46.00	45.55
Jun	44.65	45.10	45.00	44.65
Jul	44.80	44.98	44.80	44.50
Aug	45.10	45.38	46.19	44.95
Sep	45.85	46.06	45.85	45.50
Dec	47.80	48.06	47.80	47.60
Jan	47.50	48.40	47.80	47.80

COCOA 10 tonnes;$/tonnes	*Close*	*Previous*	*High/Low*	
May	1588	1573	1601	1568
Jul	1601	1593	1610	1589
Sep	1631	1622	1640	1618
Dec	1663	1657	*1675*	1635
Mar	1698	1695	*1707*	1685
May	1718	1713	0	0
Jul	1749	1746	0	0

COFFEE "C" 37,500lbs; cents/lbs	Close	Previous	High/Low	
May	135.42	135.57	135.95	134.25
Jul	137.07	137.49	138.10	136.86
Sep	138.90	186.40	139.70	138.30
Dec	141.40	141.65	142.15	141.00
Mar	142.21	142.90	143.40	142.21
May	143.60	143.95	144.40	143.60
Jul	144.00	144.00	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs	Close	Previous	High/Low	
May	8.99	9.14	9.22	8.10
Jul	8.67	9.04	9.11	8.87
Oct	8.88	0.06	9.11	8.87
Jan	8.90	0.10	0	0
Mar	8.85	6.92	0.02	8.86
May	8.91	8.96	9.03	8.92
Jul	8.95	8.97	9.02	8.00

COTTON 50,000; cents/lbs	Close	Previous	High/Low	
May	62.89	62.11	62.00	62.05
Jul	61.89	61.66	61.90	61.10
Oct	*59.90*	*59.35*	*59.50*	*59.35*
Dec	58.40	57.83	58.50	57.83
Mar	59.00	58.48	59.00	58.95
May	60.50	58.88	59.00	58.80
Jul	50.00	59.05	0	0

ORANGE JUICE 15,000 lbs; cents/lbs	Close	Previous	High/Low	
May	168.50	165.50	167.00	164.80
Jul	160.65	158.65	161.80	159.30
Sep	158.00	155.00	156.60	155.50
Nov	152.25	151.75	152.95	152.25
Jan	148.65	148.73	149.00	146.75
Mar	148.68	149.95	0	0
May	148.95	148.95	0	0
Jul	146.00	148.95	0	0

INDICES				
REUTERS (Base: September 18 1931 = 100)				
	Mar 28	Mar 25	mnth ago	yr ago
	1743.9	1751.1	1748.5	1594.7
DOW JONES (Base: December 31 1974 = 100)				
Spot	132.08	132.25	127.43	116.08
Futures	134.57	134.53	130.86	115.42

Chicago

SOYABEANS 5,000 bu min: cents/60lb bushel	Close	Previous	High/Low	
May	650/[illegible]	655/6	654/4	650/0
Jul	659/2	664/2	662/4	659/0
Aug	661/0	666/4	667/4	661/0
Sep	662/2	668/6	666/2	662/0
Nov	668/2	672/4	672/0	667/6
Jan	675/4	681/2	680/0	675/0
Mar	683/4	686/4	686/0	683/2
May	686/4	691/4	688/0	686/4
Jul	689/4	694/4	0	0

SOYABEAN OIL 60,000 lbs: cents/lb	Close	Previous	High/Low	
May	21.14	[illegible]	21.30	21.10
Jul	21.48	[illegible]	21.70	21.47
Aug	21.55	[illegible]	21.80	21.55
Sep	21.65	[illegible]	21.00	21.65
Oct	21.70	[illegible]	22.00	21.75
Dec	22.12	[illegible]	22.28	22.12
Jan	22.12	[illegible]	22.30	22.12
Mar	22.11	[illegible]	22.10	22.12

SOYABEAN MEAL 100 tons $/ton	Close	Previous	High/Low	
May	192.8	195.0	194.5	192.7
Jul	193.8	195.7	195.2	193.3
Aug	194.5	100.2	195.5	194.2
Sep	195.1	196.5	100.0	195.0
Oct	196.0	197.7	197.5	196.5
Dec	198.0	198.5	199.0	197.0
Jan	199.0	199.7	199.0	198.5
Mar	203.4	203.5	203.3	203.5
May	203.5	204.5	203.0	204.0

MAIZE 5,000 bu min: cents/56lb bushel	Close	Previous	High/Low	
May	211/4	210/4	[illegible]	210/6
Jul	217/0	216/2	[illegible]	216/4
Sep	220/2	220/4	[illegible]	220/0
Dec	223/0	223/6	[illegible]	222/4
Mar	230/0	230/4	[illegible]	229/4
May	233/6	234/6	234	233/0
Jul	236/0	236/6	[illegible]	236/0

WHEAT 5,000 bu min: cents/60lb-bushel	Close	Previous	High/Low	
May	301/0	299/4	[illegible]	299/0
Jul	307/6	307/6	[illegible]	306/4
Sep	314/4	315/0	[illegible]	313/2
Dec	323/0	323/4	[illegible]	322/2
Mar	328/4	329/0	[illegible]	328/0

LIVE CATTLE 40,000 lbs; cents/lb	Close	Previous	High/Low	
Apr	75.42	75.42	[illegible]	75.10
Jun	72.07	72.47	[illegible]	71.72
Aug	68.10	68.42	[illegible]	68.00
Oct	66.75	67.07	[illegible]	66.70
Dec	67.65	67.87	[illegible]	67.60
Feb	67.45	67.70	[illegible]	67.45
Apr	67.90	68.00	[illegible]	67.85

LIVE HOGS 30,000 lb; cents/lbs	Close	Previous	High/Low	
Apr	45.75	46.05	46.2	45.60
Jun	51.08	50.92	51.5	50.00
Jul	51.05	51.00	[illegible]	50.85
Aug	47.70	47.82	48.1	47.65
Oct	43.80	43.70	[illegible]	43.60
Dec	44.35	44.40	44.5	44.20
Feb	43.55	43.87	43.8	43.50
Apr	41.55	41.55	41.9	41.55

PORK BELLIES 38,000 lbs; cents/lb	Close	Previous	High/Low	
May	55.00	56.45	56.75	55.80
Jul	56.40	56.50	57.15	56.25
Aug	54.77	55.30	55.75	54.75
Feb	57.80	58.22	58.30	57.80
Mar	57.10	57.15	57.30	*0*

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Lawson boosts sterling

STERLING climbed to its highest level against the D-Mark since July 1986 after the London close, on comments by Mr Nigel Lawson, Chancellor of the Exchequer, in testimony before the Commons Treasury and Civil Service Committee.

The pound closed at DM3.1125 in London, compared with DM3.1075 on Tuesday, but within an hour rose to DM3.1250 as Mr Lawson told MP's that sterling's recent gains against the D-Mark must be seen as part of the long term struggle against inflation.

Dealers commented that the Chancellor was falling into line with the policy stated recently by the Prime Minister, putting the main emphasis on controlling inflationary pressure.

Mr Robin Leigh-Pemberton, when speaking to the same committee on Monday, also emphasised the importance of holding down inflation, and insisted there was no policy of shadowing the D-Mark.

Initial reaction to the Chancellor's statement yesterday, was that the pound was now free to move higher.

Sterling closed little changed against the dollar at $1.8700, compared with $1.8705 on Tuesday, but soon moved up to $1.8800 in reaction to Mr Lawson's comments.

The pound finished at Y233.75, compared with Y233.00 previously; at FFr10.5525 against FFr10.5350; and at SFr2.5675 compared with SFr2.5700, but then made strong gains, in line with its performance against the D-Mark and dollar.

On Bank of England figures sterling's exchange rate index closed unchanged at 77.7, after standing at 77.6 for most of the day.

Apart from the late flurry in sterling the market was very quiet, ahead of the financial year-end and the Easter holiday.

The dollar was boosted by reports of support overnight in New York from the Federal Reserve, and in Tokyo from the Bank of Japan.

Underlying sentiment remained nervous, with the market waiting to see if Japanese institutions are heavy sellers of the dollar in the new financial year.

The dollar rose to Y125.00 from Y124.50; to DM1.6640 from DM1.6615; to FFr5.6425 from SFr5.6325, and was unchanged at SFr1.3735.

The dollar's index, according to the Bank of England, rose to 92.8 from 92.5.

D-MARK - Trading range against the dollar in 1987/88 is 1.9305 to 1.5740. February average 1.6966. Exchange rate index 149.2 against 146.1 six months ago.

The D-Mark closed around the middle of the day's range against the dollar, in dull Frankfurt trading. The dollar finished at DM1.6680, compared with DM1.6635 on Tuesday.

It was fixed at DM1.6689, against DM1.6664 previously. The Bundesbank did not intervene.

Attention moved back towards sterling, and the possibility of further appreciation by the currency, but the Frankfurt market closed before the UK Chancellor made his comments to a parliamentary committee.

JAPANESE YEN - Trading range against the dollar in 1987/88 is 159.45 to 121.25. February average 129.17. Exchange rate index 244.1 against 219.1 six months ago.

Intervention by the US and Japanese central banks kept the dollar steady in Tokyo, but failed to dispel an underlying bearish sentiment.

The dollar opened at the day's high of Y125.75, but then fell on speculative selling, before the Bank of Japan intervened to arrest the decline at Y124.45. It closed at Y124.45, compared with Y124.35 on Tuesday.

The Insurance Association of Japan issued a statement denying rumours that life insurance companies planned to sell the dollar heavily in the new financial year.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu Mar 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.4180	+2.26	+0.98	±1.5344
Danish Krone	7.85212	7.95742	+1.34	+0.06	±1.5404
German D-Mark	2.05853	2.07381	+0.74	-0.54	±1.0982
French Franc	6.90403	7.03178	+1.85	+0.57	±1.3674
Dutch Guilder	2.31943	2.32840	+0.39	-0.89	±1.5012
Irish Punt	0.768411	0.775238	+0.89	-0.39	±1.6684
Italian Lira	1483.58	1535.95	+3.53	+2.84	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

Mar 30	Latest	Previous Close
£ Spot	1.8770-1.8775	1.8650-1.8660
1 month	0.27-0.26pm	0.27-0.25pm
3 months	0.84-0.81pm	0.85-0.82pm
12 months	2.90-2.80pm	2.96-2.88pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

[illegible]

CURRENCY RATES

[illegible]

CURRENCY MOVEMENTS

[illegible]

OTHER CURRENCIES

[illegible]

POUND SPOT- FORWARD AGAINST THE POUND

Mar 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.8590-1.8705	1.8695-1.8705	0.28-0.25cpm	1.70	0.85-0.80pm	1.76
Canada	2.2980-2.3145	2.3100-2.3110	0.05-0.05cpm	-	0.11dis-0.02pm	-0.21
Netherlands	3.48½-3.50	3.49-3.50	1½-1cpm	4.51	4½-3½pm	4.58
[illegible]						

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

[illegible]

EURO-CURRENCY INTEREST RATES

[illegible]

EXCHANGE CROSS RATES

[illegible]

FINANCIAL FUTURES

Gilt prices slightly firmer

TRADING VOLUME continued to fall in yesterday's Liffe market, as floor traders looked, with some relish, towards the long Easter break. Sterling's firm trend encouraged a stronger opening in long gilt futures and short sterling prices. Underlying sentiment was also helped by an overnight rally in US Treasury bond futures.

Values finished towards the day's highs and seemed little affected by the Bank of England's decision to issue £400m of short-dated tap stock. The June long gilt price opened at 122-08, up from 122-01, and touched a high of 122-19 before finishing at 122-17.

Speaking after the close of Liffe markets, Mr Nigel Lawson, the Chancellor, intimated that a further fall in sterling, to offset rises in unit labour costs, would not necessarily be tolerated.

Three-month sterling deposits for June delivery opened at 91.16, which proved to be the low of the day, and improved to a high of 91.22, before closing at 91.20.

US Treasury bonds showed little overall change on the day, despite a stronger close in Chicago on Tuesday. The dollar's steady to firmer trend, and a reluctance to carry short positions over the weekend, should also have provided support. However, chart resistance restricted upward movement.

News of a 0.8 p.c. fall in US factory orders - in line with expectations - appeared to have little effect. The June bond price opened at 90-11 and traded in a narrow ten tick range before finishing at 90-08, compared with 89-24 on Tuesday.

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
116	640	—	6	—
118	451	—	17	—
120	310	—	40	—
122	155	—	121	—
124	62	—	228	—
126	29	—	359	—
128	12	—	542	—

Estimated volume total, Calls 3429 Puts 1865
Previous day's open int. Calls 30919 Puts 23252

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
84	634	617	18	101
86	455	455	39	139
88	316	342	100	226
90	143	242	147	326
92	104	156	252	440
94	33	118	417	602
96	18	54	602	738

Estimated volume total, Calls 30 Puts 50
Previous day's open int. Calls 2425 Puts 1030

LIFFE FT-SE INDEX FUTURES OPTIONS

Strike Price	Calls-settlements Apr	Calls-settlements MAY	Puts-settlements Apr	Puts-settlements MAY
16000	1675	1749	15	89
16500	1212	1337	52	177
17000	803	979	143	319
17500	478	683	318	523
18000	251	453	591	793
18500	115	286	955	1126
19000	46	171	1386	1511

Estimated volume total, Calls 0 Puts 0
Previous day's open int. Calls 40 Puts 59

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls-settlements Apr	Calls-settlements MAY	Puts-settlements Apr	Puts-settlements MAY
170	1630	1630	0	2
175	1130	1130	0	15
180	630	665	11	74
185	220	326	112	235
190	40	123	424	532
195	3	35	887	944
200	—	—	—	—

Estimated volume total, Calls 0 Puts 0
Previous day's open int. Calls 244 Puts 214

LIFFE EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
9175	99	89	3	21
9200	77	69	6	27
9225	57	53	11	36
9250	39	40	18	48
9275	25	28	29	61
9300	15	19	44	77
9325	8	13	62	96

Estimated volume total, Calls 0 Puts 250
Previous day's open int. Calls 2714 Puts 1838

LIFFE SHORT STERLING

Strike Price	Calls-settlements Jun	Calls-settlements Sep	Puts-settlements Jun	Puts-settlements Sep
9025	97	86	2	14
9050	75	68	5	21
9075	54	51	9	29
9100	35	35	15	38
9125	21	23	26	51
9150	12	14	42	67
9175	6	9	61	87

Estimated volume total, Calls 255 Puts 15
Previous day's open int. Calls 2474 Puts 1896

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls Apr	Calls May	Calls Jun	Calls Sep	Puts Apr	Puts May	Puts Jun	Puts Sep
1.750	11.15	11.15	11.25	12.10	0.05	0.28	0.50	1.00
1.775	8.65	8.80	9.10	10.20	0.05	0.40	0.86	1.65
1.800	6.20	6.70	7.10	8.35	0.10	0.75	1.40	3.50
1.825	4.00	4.80	5.35	7.10	0.35	1.35	2.15	4.50
1.850	2.25	3.25	3.95	5.80	1.05	2.25	3.15	5.45
1.875	1.10	2.10	2.80	4.70	2.30	3.65	4.50	7.00
1.900	0.45	1.30	2.00	3.75	4.15	5.20	6.10	8.35

Previous day's open int: Calls 395,345 Puts 389,397
Previous day's volume: Calls 20,469 Puts 6,005

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls Apr	Calls May	Calls Jun	Calls Sep	Puts Apr	Puts May	Puts Jun	Puts Sep
1.60	-	-	23.80	24.20	-	-	0.50	1.20
1.65	-	-	18.65	19.05	-	-	1.30	1.80
1.70	13.20	13.20	14.20	14.00	0.30	0.50	0.65	1.20
1.75	8.20	8.40	11.70	9.80	0.50	0.85	1.40	3.10
1.80	6.50	7.05	7.20	6.75	0.50	2.05	1.75	3.75
1.85	2.40	3.70	4.35	4.45	1.95	4.50	3.75	7.30
1.90	0.85	1.75	2.30	3.95	7.35	8.20	8.85	10.80

Estimated volume total, Calls N/A Puts N/A
Previous day's open int. Calls 522 Puts 431

LONDON (LIFFE)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Jun	122-17	122-19	122-06	122-01
Sep	98-07	98-09	98-08	97-27

Estimated Volume 14349 (13898)
Previous day's open int. 22911 (22494)

[illegible]

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
Jun	90-14	90-14	90-07	90-05
Sep	89-13	89-13	89-08	89-04
Dec	88-13	88-13	88-11	88-06
Mar	87-17	87-17	87-17	87-10

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
Jun	0.8034	0.8040	0.8032	0.8043
Sep	0.8097	0.8098	0.8091	0.8105
Dec	-	-	-	0.8167
Mar	-	-	-	0.8229

[illegible]

MONEY MARKETS

UK interest rates slightly lower

INTEREST RATES were slightly lower in the London money market yesterday, as the pound continued to improve. However most traders were determined to go into the long weekend showing a minimum book exposure.

Consequently trading volume was below the levels seen recently, as interest waned ahead of the Easter break.

Three-month interbank money was quoted at 8¾-8⅝ p.c. compared with 8$\frac{13}{16}$-8$\frac{11}{16}$ p.c. while the one year rate eased to 9¼-9⅛ p.c. from 9$\frac{5}{16}$-9$\frac{3}{16}$ p.c. Overnight money opened at 7⅞-7¾ p.c. and eased to a low of 7½ p.c. before finishing bid at 8 p.c.

UK clearing bank base lending rate 8½ per cent from March 17

The Bank of England forecast a surplus of around £400m, with factors affecting the market including repayment of late assistance and bills maturing in official hands, together with a take up of Treasury bills draining £584m. Maturing sale and repurchase agreements accounted for a further £614m while banks brought forward balances £60m below target. There was also a rise in the note circulation. These were more than offset by Exchequer transactions which added £1,875m, a large part of which was the redemption of an index-linked gilt stock.

The forecast was revised to a surplus of around £300m and the Bank gave no assistance in the morning. The authorities took out the surplus in the afternoon by selling £300m of Treasury bills maturing today, at 7¾-8¼ p.c.

In Frankfurt the Bundesbank withdrew its offer to sell three-day Treasury bills at 3 p.c., even though call money ranged as low as 2.5 p.c. Bills are usually offered to mop up excess liquidity, thus, effectively placing a base limit on short term rates.

However traders were convinced that the move was more of a technical adjustment ahead of the month end, than a change in monetary policy. The argument ran that, funds tied up by purchases of Treasury bills could be needed today, as commercial banks carry out fine tuning operations to meet end of month minimum reserve requirements.

Despite the authorities' caution, banks are expected to have little problem meeting their obligations with the Bundesbank.

FT LONDON INTERBANK FIXING

[illegible]

MONEY RATES

[illegible]

LONDON MONEY RATES

[illegible]

EUROPEAN OPTIONS EXCHANGE

Series		May 88 Vol	May 88 Last	Aug. 88 Vol	Aug. 88 Last	Nov. 88 Vol	Nov. 88 Last	Stock
GOLD C	Fl. 500	2	1.50	40	8.20	-	-	Fl. 454.20
GOLD C	Fl. 520	40	1	-	-	-	-	Fl. 454.20
GOLD P	Fl. 440	-	-	10	9.20	30	22.50	Fl. 454.20
		Apr. 88		May 88		Jun. 88		
EOE Index C	Fl. 180	30	23 A	-	-	-	-	Fl. 202.73
EOE Index C	Fl. 185	251	19 A	251	19 A	-	-	Fl. 202.73
EOE Index C	Fl. 190	80	13.50 A	8	14 A	10	15.50	Fl. 202.73
EOE Index C	Fl. 195	25	9.50 A	3	11 A	-	-	Fl. 202.73
EOE Index C	Fl. 200	66	6.50	67	8	-	-	Fl. 202.73
EOE Index C	Fl. 205	170	3.70	29	6.50	-	-	Fl. 202.73
EOE Index C	Fl. 210	138	2 B	78	4.50 B	1	7	Fl. 202.73
EOE Index C	Fl. 215	44	1.20	23	3	-	-	Fl. 202.73
EOE Index C	Fl. 225	-	-	310	1.20	-	-	Fl. 202.73
EOE Index P	Fl. 185	11	1.10	41	4	-	-	Fl. 202.73
EOE Index P	Fl. 190	74	2.10	26	5.90 A	-	-	Fl. 202.73
EOE Index P	Fl. 195	637	3.50	320	8.30	-	-	Fl. 202.73
EOE Index P	Fl. 200	419	5.20	153	10	21	12.50 B	Fl. 202.73
EOE Index P	Fl. 205	62	7.80	25	13	50	16	Fl. 202.73
EOE Index P	Fl. 210	95	11.50	103	16	3	18 B	Fl. 202.73
£/Fl P	Fl. 340	-	-	-	-	151	1.10	Fl. 348.75
$/Fl P	Fl. 175	-	-	-	-	50	0.80	Fl. 187.24
$/Fl P	Fl. 185	19	1.30	15	2.50	28	3.50	Fl. 187.24
$/Fl P	Fl. 190	-	-	-	-	63	6.50	Fl. 187.24

		Apr. 88 Vol	Apr. 88 Last	Jul. 88 Vol	Jul. 88 Last	Oct. 88 Vol	Oct. 88 Last	Stock
ABN C	Fl. 40	410	1	169	2.30	105	3	Fl. 40.20
ABN P	Fl. 40	122	0.90	5	3.20 B	105	4.10	Fl. 40.20
AEGON C	Fl. 70	18	1.50	54	4	-	-	Fl. 69.50
AEGON P	Fl. 60	-	-	27	1.20	-	-	Fl. 69.50
AHOLD C	Fl. 70	20	2	26	0.50	-	-	Fl. 69.40
AHOLD P	Fl. 70	42	2	19	5 B	2	6	Fl. 69.40
AKZO C	Fl. 110	280	1	1007	3.90	62	7	Fl. 104
AKZO P	Fl. 100	149	1.80	955	7.20	5	9.20	Fl. 104
AMEV C	Fl. 55	132	1.20	320	3.50	24	4.90	Fl. 52
AMEV P	Fl. 55	-	-	46	7	-	-	Fl. 52
AMRO C	Fl. 70	50	0.70	103	2.30	46	3.30	Fl. 67.90
AMRO P	Fl. 70	75	3	7	5.90	3	7.50	Fl. 67.90
BUHRMANN-T C	Fl. 45	191	1	56	3	21	4.10	Fl. 44.30
BUHRMANN-T P	Fl. 45	14	2	43	4	-	-	Fl. 44.30
ELSEVIER C	Fl. 50	239	1.40	250	3.60	6	4.80 A	Fl. 49.80
ELSEVIER P	Fl. 50	134	1.60	46	4	2	5	Fl. 49.80
GIST-BROC. C	Fl. 35	108	0.50	214	1.80	37	3.50	Fl. 32.70
GIST-BROC. P	Fl. 30	13	0.30	58	1.80	27	3.10	Fl. 32.70
HEINEKEN C	Fl. 120	5	9 A	32	11.50	-	-	Fl. 126
HOOGOVENS C	Fl. 40	805	0.10	631	1.40	83	2.20	Fl. 33.80
HOOGOVENS P	Fl. 35	538	2.60	47	4	50	5	Fl. 33.80
KLM C	Fl. 35	393	1.10	277	3.10	247	3.70	Fl. 35.20
KLM P	Fl. 30	60	0.10	15	0.90	206	2	Fl. 35.20
KNP C	Fl. 140	3	1	85	4	8	6.50	Fl. 136.50
KNP P	Fl. 140	14	11.20	70	13.50	-	-	Fl. 136.50
NEDLLOYD C	Fl. 220	104	2.60	203	10	-	-	Fl. 207.20
NEDLLOYD P	Fl. 190	83	2	10	9.50	-	-	Fl. 207.20
NAT.NED. C	Fl. 60	72	0.60	53	2.30	39	3.50	Fl. 58.10
NAT.NED. P	Fl. 55	28	0.80	48	2.60	-	-	Fl. 58.10
PHILIPS C	Fl. 30	135	0.40	463	1.30	51	2	Fl. 28.60
PHILIPS P	Fl. 30	180	3	144	3.80	27	4	Fl. 28.60
ROYAL DUTCH C	Fl. 230	316	1.40	201	4.50	13	7	Fl. 222.70
ROYAL DUTCH P	Fl. 220	162	3	69	12.50	11	18 B	Fl. 222.70
ROBECO P	Fl. 85	-	-	26	3.50	4	4.20	Fl. 89.80
UNILEVER C	Fl. 110	541	3.40	209	7	20	9.30	Fl. 111.50
UNILEVER P	Fl. 110	353	2.80	134	7.70	3	9 B	Fl. 111.50

TOTAL VOLUME IN CONTRACTS : 31,749

A = Ask B = Bid C = Call P = Put

BASE LENDING RATES

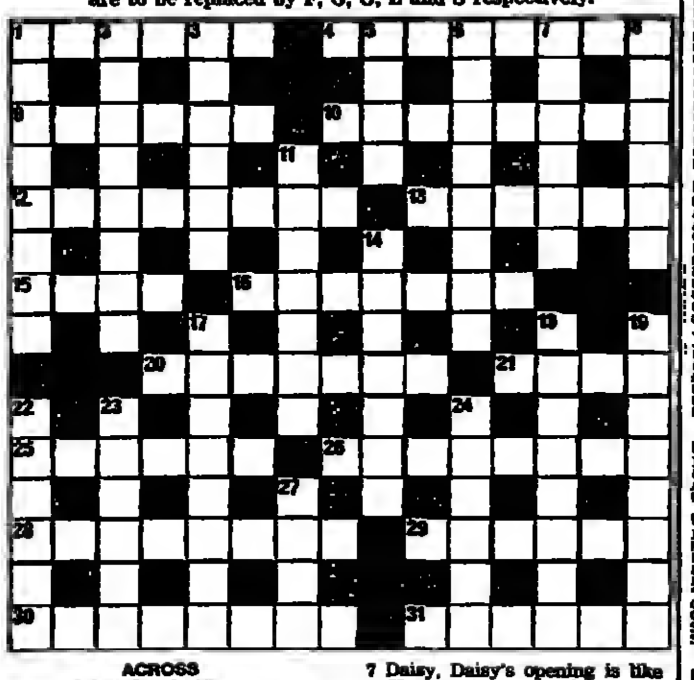
	%		%		%
ABN Bank	8½	Citibank NA	8½	Nat Bk. of Kuwait	8½
Adam & Company	8½	City Merchants Bank	8½	NatWestminster	8½
AAB-Allied Arab Bk	8½	Clydesdale Bank	8½	Northern Bank Ltd	8½
Allied Irish Bank	8½	Comm. Bk. N.East	8½	Norwich Gen. Trust	8½
Henry Ansbacher	8½	Consolidated Cred	8½	PK Finans. Intl(UK)	9
ANZ Banking Group	8½	Co-operative Bank	*8½	Provincial Bank PLC	9½
Associates Cap Corp	10	Cyprus Popular Bk	8½	R. Raphael & Sons	8½
Authority Bank	8½	Dunbar Bank PLC	8½	Roxburghe G'rantee	10
B & C Merchant Bank	8½	Duncan Lawrie	8½	Royal Bk of Scotland	8½
Banco de Bilbao	9½	Equatorial Bank plc	9	Royal Trust Bank	8½
Bank Hapoalim	8½	Exeter Trust Ltd	9	Smith & Williams Secs.	8½
Bank Leumi (UK)	8½	Financial & Gen. Sec	8½	Standard Chartered	8½
Bank Credit & Comm	8½	First Nat. Sec. Ltd	9½	TSB	8½
Bank of Cyprus	8½	● Robert Fleming & Co.	8½	UDT Mortgage Exp	‡10.2
Bank of Ireland	8½	Robert Fraser & Ptnrs.	9½	United Bk of Kuwait	8½
Bank of India	8½	Girobank	8½	United Mizrahi Bank	8½
Bank of Scotland	8½	Grindlays Bank	8½	Unity Trust Bank Plc	8½
Banque Belge Ltd	8½	● Guinness Mahon	8½	Western Trust	8½
Barclays Bank	8½	HFC Trust & Savings	8½	Westpac Bank Corp.	8½
Benchmark Bank PLC	8½	● Hambros Bank	8½	Whiteaway Laidlaw	9
Berliner Bank AG	8½	Heritable & Gen Inv Bk	8½	Yorkshire Bank	8½
Brit Bk of Mid East	8½	● Hill Samuel	§8½		
● Brown Shipley	8½	C. Hoare & Co.	8½		
Business Mtge Tst	9	Hongkong & Shangh	8½		
Cl. Bank Nederland	8½	Lloyds Bank	8½		
Central Capital	8½	Meghraj Bank Ltd	8½		
● Charterhouse Bank	8½	Midland Bank	8½		
		● Morgan Grenfell	8½		
		Mount Credit Corp.	8½		

● Members of the Accepting Houses Committee. * 7 day deposits 3.50% Sunrise 6.16%. Top Tier-£2,500+ at 3 months' notice 7.81%. At call when £10,000+ remains deposited. ‡ Mortgage base rate. § Demand deposit 3.50%. Mortgage 9.625% - 10%

FT CROSSWORD No.6,595

SET BY CINEPHILE

Wherever the letters A, P, R, I and L occur in the solutions, they are to be replaced by F, O, O, L and S respectively.



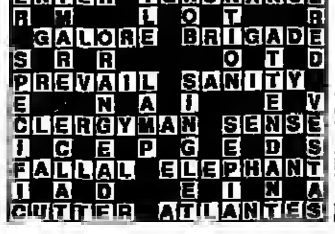
ACROSS

1 Fool due shortly (6)
4 Fools: endlessly stammering one enters cakes (8)
9 Fool (academic clue)(6)
10 Wise man of old with some of somebody's other uses (8)
12 Complain with anxiety at meat dish (4,4)
13 Withdraw to the south-east and give up (6)
15 Baker from Covent Garden (4)
16 What's sweet about virtuous person is virtue (7)
20 Give in: apply some suction to part of county (7)
21 Continuing church of former time (4)
25 Beginning of unfashionable group (6)
26 Setting of sun should be spontaneous (8)
28 Audible valedictions recommended by Which? (4,4)
29 Article of protest (6)
30 The key in cats - they may get *laid in carpets* (4,4)
31 Method for South Yorkshire's leader to check (6)

DOWN

1 Poem no.2 in captain's guide to cryptology? (4,4)
2 Against repeated getting looked after? Carried (8)
3 Lovethick Danish port (6)
5 Detach and destroy (4)
6 Enemy accepts new tests for depression (8)
7 Daisy, Daisy's opening is like Homer's Athene (2-4)
8 Tsetse makes six people (6)
11 Come out of bed, rising with cry of pain (7)
14 Piece arranged about US detectives (7)
17 Essential buzzer on Dutch throne? (5,3)
18 Propose round pole: it's most comfortable (8)
19 Top half of abstainers with hesitation (8)
22 Bumper car, odd variety, on stone (6)
23 Maximum sum - tot differently (6)
24 Unruly mob in sport for hoyden (6)
27 Admiral executed Crosby's sound (4)

Solution to Puzzle No.6,594



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

FT UNIT TRUST INFORMATION SERVICE

Scimitar Asset Management Ltd
8 Crosby Sq, London EC3A 6AQ 01-588 6993/4/5

Scimitar Global Gth Ac.	28.6	30.5	+0.4	0.19
Do. Income	28.4	30.3	+0.4	0.14
Scimitar European Acc.	20.3	21.6	+0.3	0.11
Do. Income	20.3	21.6	+0.3	0.11
Scimitar UK Eq Inc Acc.	34.3	36.4	+0.4	5.66
Do. Income	32.2	33.9xd	+0.3	5.66
UK Cap Gth Acc.	23.6	25.1	+0.2	0.75
Scimitar Pac Basin Acc.	29.3	31.2	+0.1	—
Scimitar Mngd Exempt	140.4	146.3xd	+2.5	—

Scottish Equitable Fund Mgrs. Ltd(z)
28 St Andrews Sq, Edinburgh 031-556 1051

Intnl Income Units	125.3	132.9	—	3.37
Intnl Accum Units	191.6	203.3	—	3.37
UK General Acc.	37.4	39.9	+0.2	3.38
UK General Inc.	36.0	38.4	+0.2	3.38
American	26.7	28.5	—	2.13
European	33.8	36.0	+0.4	1.26
Japan	58.1	62.0	+0.7	0.03
Technology	34.1	36.4xd	+0.3	2.29
Performance Trusts				
Far East Perf Tst	18.6	19.8	+0.2	2.00
High Inc Perf Tst Inc.	23.6	25.2	+0.1	5.36
High Inc Perf Tst Acc.	24.1	25.7	-0.1	5.36
Worldwide Tech Perf Tst	27.7	29.6	-0.3	2.27

Scottish Life Investments(z)
19 St Andrew Sq, Edinburgh 031-225 2211

Nelson (UK)	206.3	220.7	+1.2	2.80
Columbus (US)	126.4	135.2	+1.1	1.32
Marco Polo (Pac)	216.9	232.0	+3.3	0.19
Da Vinci (Eur)	218.1	233.3	+2.7	1.68
Drake (Wld)	52.2	55.9	+0.6	2.86

Scottish Mutual Investment Managers Ltd
109 St Vincent St, Glasgow G2 5HN 041-248 6100

UK Equity	200.4	213.2	+1.3	2.69
UK Smllr. Cos. Equity	206.2	219.4	+0.5	1.95
UK Special Situations	60.8	64.7	-0.1	3.27
Income Plus	52.3	55.7	+0.2	8.67
European	158.1	168.2	+1.7	1.17
Far Eastern	52.1	55.5	+0.2	1.01

Trades Union Unit Trust Managers
100 Wood Street, London EC2 01-606 4365

TUUT Mar 1	232.5	229.7xd	—	3.22

Tribum Fd Mngrs. Ltd.
Royal Life Hse, Colchester CO1 1RA 0206 764400

Tribum General	144.6	155.5	+1.4	1.50

Tyndall Unit Trust Managers Limited
25 Bucklersbury, London EC4N 248 3399

Convertible & General	58.7	62.5	+0.2	6.22
Accum Units	60.4	64.1	+0.2	6.23
Income	79.1	83.8	+0.1	4.46
Accum Units	79.1	83.8	+0.1	4.46
Smaller Co's	82.1	87.0xd	+2.1	1.91
Accum Units	82.9	87.9	+2.2	1.91
UK Growth	83.1	88.1xd	+0.8	2.29
Accum Units	84.2	89.3	+0.8	2.29
Pacific Gold Tst Acc.	47.8	50.6	—	—

UK Unit Trust Managers Ltd
Worthing Road, Horsham, RH12 1SL 0403 40053

British Growth Fd	57.9	61.6	+0.5	1.74
Technical Analysis Fd.	49.4	52.6	+0.9	3.45

Unit Trust Account & Mgmt. Ltd
20 Cannizall Ave, London EC2R 7PA 01-588 4864
Advisers: Henderson Crosthwaite Ltd

Friars Hse Cap Fd.	176.3	187.5	—	3.63
Friars Hse Inc Fd.	133.0	141.0	—	5.38

United Charities Unit Trusts (a)(c)(g)
Unicorn Hse, 252 Romford Rd, E7 01-534 5544

United Charities	167.4	178.6	+1.2	4.76

Vanguard Trust Managers Ltd (z)
65 Holborn Viaduct, London EC1A 2EU 01-236 3053
Dealing Line: 01-236 2468

Gilt Fund	179.6	191.2xd	—	1.70
(Accum Units)	183.7	195.4	—	1.70
Far East & Gen.	55.5	59.0	+0.7	—
(Accum Units)	55.5	59.0	+0.7	—
Master Portfolio	65.623	67.306	+0.439	3.06
(Accum Units)	67.442	69.170	+0.450	3.06
American & Gen.	53.4	57.3xd	+0.7	1.79
(Accum Units)	55.3	58.8	+0.7	1.79

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Phoenix Assurance Co Ltd
Phoenix House, Redcliff Hill, Bristol 0272 294941

Life Assurance Funds				
Wealth Assoc.	383.2	403.5	—	—
Eb'r Ph Eq.	341.0	362.5	—	—
Pension Plan Funds				
Phoenix				
US Equity Acc.	163.4	172.0	+0.9	—
International Acc.	125.5	132.1	+1.2	—
Property Acc.	127.5	134.2	—	—
Fixed Interest Acc.	156.1	164.3	+0.8	—
Money Acc.	137.7	144.9	—	—
Bldg. Soc. Link Acc.	134.0	141.8	—	—
Special Mngd. Acc.0	145.9	153.5	+0.9	—
Phoenix/Framlington				
Intnl Growth Acc.	85.5	89.9	-0.1	—
Amer. & Gen. Acc.	78.8	82.9	-1.6	—
Capital Tst. Acc.	170.2	179.1	-0.3	—
Japan & Gen Acc.	175.4	184.6	+0.8	—
American Turn. Acc.	81.7	86.0	-1.8	—
Recovery Tst. Acc.	162.8	171.3	+0.1	—
Special Mngd Acc.	140.0	147.3	-0.6	—
Phoenix/GT				
International Acc.	117.5	123.6	-1.1	—
US & General Acc.	86.1	90.6	-0.6	—
Amer Spec Sits Acc.	63.2	66.5	-0.5	—
Japan & General Acc.	175.0	184.2	+1.0	—
Far East & Gen. Acc.	137.1	144.3	+1.4	—
UK Capital Acc.	165.6	174.3	-0.9	—
European Acc.	126.4	133.0	-4.3	—
Special Mngd Acc.	121.3	127.6	-0.8	—

Pioneer Mutual Insurance Co Ltd
16 Crosby Rd, N. Waterloo, Liverpool 051-928 6655

Managed Fund	260.1	273.0	-8.0	—
Man Pens Inc & Cap Fds	330.1	347.5	-13.6	—
Money Fund	111.0	117.7	-0.1	—
Pens. Mngd Fd (Unit)	80.9	85.2	-4.7	—
Pens Mngd Fd (Acc)	91.4	96.3	-5.1	—
Pens FT30 Fd (Unit)	124.5	131.1	-5.6	—
Pens FT30 Fd (Acc)	140.6	148.0	-6.2	—
Pens O'seas MgFd(Unit)	55.1	58.0	-1.6	—
Pens O'seas MgFd(Acc)	62.2	65.5	-1.7	—
Pens Fxd Int Fd (Unit)	105.6	111.2	+0.4	—
Pens Fxd Int Fd (Acc)	119.2	125.5	+0.5	—
Pens Deposit Fd (Unit)	101.0	106.4	—	—
Pens Deposit Fd (Acc)	114.1	120.2	+0.1	—

Premium Life Assurance Co Ltd
37-39, Perrymount Road, Haywards Heath 0444 458721

American	80.0	85.0	—	—
Building Soc. Fd.	159.0	168.0	—	—
Balanced	231.0	244.0	—	—

Prudential Assurance Co
Holborn Bars, London EC1N 2NH 01-405 9222

Prubond				
Managed Mar 23	199.1	207.4	—	—

Prudential Holborn Life Ltd
30 Old Burlington St, London W1X 1LB 01-439 3134

Managed Fd	441.6	464.9	—	—
Equity Fd	867.9	913.6	+3.5	—
Intnl. Fd.	301.0	316.9	+3.2	—
Fixed Int. Fd.	367.9	387.3	+1.7	—
Prop. Fd.	314.3	330.9	—	—
Cash Fd	235.4	247.8	—	—
Pacific Basin Fd	170.5	179.5	+2.0	—
North American Fd.	123.2	129.7	—	—
European Fd	126.5	133.2	+1.2	—
Holborn Balanced Grth Fd.	100.0	105.3	—	—
Holborn Strategic Grth Fd.	99.1	104.4	—	—

Prudential Holborn Pensions Ltd
30 Old Burlington St, London W1X 1LB 01-439 3134

Managed	460.3	484.6	+2.6	—
Equity	648.4	682.6	+2.9	—
Global Equity	192.9	203.1	+2.2	—
Fixed Interest	377.5	397.4	+1.5	—
Property	312.2	328.7	—	—
Cash	138.7	146.0	—	—
Index Linked Gilt	163.8	172.5	+0.3	—
Guaranteed	0.68		—	—
International Money	183.6	193.3	-1.2	—
North American Fd.	54.9	57.5	+0.6	—
Japanese Fund	123.5	130.1	+2.9	—
European Fund	66.8	70.4	+1.0	—
Special Situations Fd.	93.4	98.44	+0.4	—
Communications Fund	78.0	82.2	+0.2	—
Smaller Cos Fund	97.8	103.0	[illegible]	—

Prudential Pensions Limited
Holborn Bars, London EC1N 2NH 01-405 9222

Discretry Mar 23	£125.33	129.97	—	—
Equity Fund Mar 23	£136.12	140.21	—	—
Intnl Fund Mar 23	£20.39	21.06	—	—
Intl Bond Fd Mar 23	£10.50	10.73	—	—
Fixed Int Mar 23	£68.08	68.97	—	—
Index Linked Mar 23	£51.64	52.26	—	—
Property Fund Mar 16	£80.68	85.44	—	—
Cash Fund Mar 23	£18.3407	18.3407	—	—
Pru-Linked Retirement Plan				
Managed Fd Mar 30	307.2	320.0	-9.4	—
Cash Fund Mar 30	174.0	181.3	+0.3	—

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

BRITISH FUNDS—Contd

1987/88 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
94	81	Treas 8pc 2009	91	+	8.73	8.87
101	89	Conv 9pc Ln 2011	100	+	8.93	8.92
69	59	Treas. 5½pc 2008-12‡‡	67	+	8.13	8.71
91	79	Treas. 7¾pc 2012-15‡‡	88	+	8.75	8.86
134	116	Exch. 12pc '13-'17	129	+	9.26	9.01

Undated

45½	39	Consols 4pc	44	+	9.04	–
41	34	War Loan 3½pc‡‡	39½	+	8.86	–
52	46	Conv. 3½pc '61 Aft.	51½xd	+	6.78	–
34	29	Treas. 3pc '66 Aft.	33xd	+	9.09	–
29	24	Consols 2½pc	27xd	+	8.95	–
29	24	Treas. 2½pc	27xd	+	0.97	–

Index-Linked

					(1)	(2)
120	108	Treas 2pc IL '90(333.9)	120	+	0.27	1.51
101½	93½	Do. 2pc '92‡‡ (385.8)	101	+	1.75	2.44
133½	119	Do. 2pc '96(267.9)	133	+	3.05	3.39
111	96	Do 2½pc '01 (308.8)	110	+	3.64	3.88
110	94	Do. 2½pc '03(310.7)	107	+	3.68	3.89
113	94	Do. 2pc '06(274.1)	109	+	3.74	3.91
108	89	Do. 2½pc '09(310.7)	102	+	3.73	3.89
113	93	Do. 2½pc '11(294.1)	106	+	3.73	3.89
95	76	Do. 2½pc '13(351.9)	88	+	3.70	3.85
103	83	Do. 2½pc '16(322.0)	95	+	3.66	3.80
101	81	Do. 2½pc '20 (327.3)	93xd	+	3.60	3.73
86	68	Do. 2½pc '24 ‡‡(385.3)	79	+	3.58	3.67

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, ie 8 months prior to issue. RPI for July 1987: 101.8 and for February 1988: 103.7 (rebased at 100 January 1987 conversion factor 3.945).

INT. BANK AND O'SEAS GOVT STERLING ISSUES

113	97	African Dv Bk 11¼ Ln 2010	107	+	10.36	10.26
109	95	Asian Dev Bk 10¼ pcLn2009	103	+	9.90	9.85
136	117	Australia 13½pc 2010	128	+	10.50	10.21
118	100	Do. 11½pcLn2015	111	+	10.17	10.10
115	99	Euro Inv Bk 11pc Ln 2002	109	+	10.07	9.79
110	94	Do. 10¼pc2004	104	+	9.88	9.76
126	109	Int-Am Dev Bk 12½pc 2003	119	+	10.48	9.973
104	88	Do. 9¼pcLn 2015	97	+	9.77	9.985
97	83	M'lysia 10¾pcLn 2009	95xd		11.32	11.73
130	100	Sweden 13½pcLn 2010	129	+	10.48	10.17
103	87	Utd. Mexican States 16½pc 2008	102	+	16.03	15.99

CORPORATION LOANS

110	105	Birmingham 13½pc 1989	105	...	12.81	9.83
119	100½	Do. 11½pc 2012	111	+1	10.34	10.24
95	82½	G.L.C 6¾pc 1990-92	93xd	+2½	7.26	9.80
132	115	Leeds 13½pc 2006	125	...	10.71	10.35
33	22	Liverpool 3½pc Irred	33xd	...	10.61	–
96	85	LCC 6¾pc '88-90	96	+1¼	6.98	8.30
31½	21	Do. 3pc '20 Aft	30½	+3½	9.840	–
115	103	Manchester 11½pc 2007	109	...	10.55	10.40

COMMONWEALTH & AFRICAN LOANS

93	81¼	NZ 7¼pc 1988-92	93	+¼	7.80	9.10
207	165	S Rhod 2½pc Non-Asstd	197	...	–	–
78	65	Do. 4½pc 87-92 Asstd	71½	...	–	–
170	42	Zimbabwe Ann (£100pa)	42	...	–	–

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1987/88 High	Low	Stock	Price £	+ or –	Div % Gross	Red. Yield
53	0	Greek 7pc Ass.	45	+45	3.50	7.78
52	33	Do. 6pc 28 Stb. Ass.	45	...	3	6.67
50	33	Do 4pc Mixed Ass.	45	...	2	4.44
75	58	Hung. '24 Ass	63	...	2.75	4.37
146½	122	Hydro Quebec 15pc 2011	139	+	15.00	10.44
136¼	115	Iceland 14½pc Ln 2016	127	+	14.50	11.27
103½	94	Ireland 9¾pc '92-96	100xd	+	9.75	9.65

AMERICANS

[illegible]

Continued on next page

Money Market Trust Funds

Money Market Bank Accounts

UNIT TRUST NOTES

LONDON SHARE SERVICE

AMERICANS—Contd

1987/88 High	Low	Stock	Price $	+ or –	Div Gross	C'vr	Y'ld Gr's
22½	994p	♦Staley Continental§	16½	+½	80c	–	2.7
44⅞	21½	Sun Co. Inc. $1	30½	+⅝	$3.00	–	5.5
42¼	22½	TRW Inc. 62½c	26½	+⅝	$1.60	–	3.3
37½	21	Tenneco $5	23¼	+⅝	$3.04	–	7.2
29⅝	15¾	Texaco $6.25	25¼	+1½	$3.00	–	6.4
74⅞	36⅞	Time Inc. $1	46½	+⅜	$1.00	–	1.2
30¼	15	Transamerica $1	17½	–⅝	$1.84	–	5.8
14½	1¼	Transworld Corp $5	987p	–6	20c	–	1.2
27½	12¼	TRINOVA Corp.	17	+½	56c	–	1.8
24⅞	12⅝	♦USX $1	16⅞	+½	$1.20	–	4.1
37¾	16¼	Utd. Technologies	21⅝	+¼	$1.40	–	3.5
38⅝	25¾	US West§	28	–¼	$3.28	–	6.4
30½	17½	Waste Management $1	19½	+¼	36c	–	1.0
31½	11⅝	Whirpool $1	14¼	+⅝	–	–	–
37½	16½	♦Woolworth $3½	24	.....	$1.32	–	3.0

CANADIANS

691p	190p	ABM Gold Corp §	198p	–11	–	–	–
32p	10p	♦Abbot Energy Corp.	25½p	.....	–	–	–
18½	506p	♦Amer. Barrick Res.	12½	–½	–	–	–
141p	3½p	American Lightwave	9½p	–½	–	–	–
122p	25p	♦Armeno	26p	.....	–	–	–
117p	39½p	Augmitto Expln.	50p	.....	–	–	–
19½	10½	Bk. Montreal §	15⅝	+¼	$2.00	–	7.6
10½	488p	Bk. Nova Scot. §	570p	+11	72c	–	5.6
20⅝	15	BCE §	16⅝	+¼	$2.44	–	6.5
[illegible]							

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS—Contd

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Contd

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Contd

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS (Miscel.)—Contd

[illegible]

INDUSTRIALS (Miscel.)—Contd.

[illegible]

INSURANCES

[illegible]

LONDON SHARE SERVICE

INSURANCES—Contd

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PAPER, PRINTING, ADVERTISING—Contd

[illegible]

PROPERTY

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TEXTILES—Contd

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS, FINANCE, LAND—Contd

[illegible]

Finance, Land, etc

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Contd

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Contd

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

THIRD MARKET

[illegible]

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: α Alpha, β Beta, γ Gamma.

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 27 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- • Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ◆ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- * USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension
- §§ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress
- ♣ Not comparable
- ♠ Same interim; reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- ‖ No par value

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1986-87. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

[illegible]

IRISH

[illegible]

TRADITIONAL OPTIONS

3-month call rates

Industrials

[illegible]

Property

[illegible]

Oils

[illegible]

Mines

[illegible]

A selection of Options traded is given on the London Stock Exchange Report Page

LONDON STOCK EXCHANGE

Buyers for Gilt-edged but equity gains reversed as initial support fades away

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Mar 7	Mar 17	Mar 18	Mar 28
Mar 21	Apl 7	Apl 8	Apl 18
Apl 11	Apl 21	Apl 22	May 3

*New time dealings may take place from 9.00 am two business days earlier.

THE UK securities markets moved towards the Easter holiday in a mood of subdued confidence behind the steadier trend of the US dollar. Equities tried to respond to the overnight improvement on Wall Street but were finally overborne by sheer lack of interest as the institutions began to close down ahead of the extended weekend break.

A firm pound continued to help Gilt-edged, and interest rate optimism drew some support from a cut in mortgage rates by the Halifax Building Society. But there was no news during the session from the appearance of Mr Nigel Lawson, the UK Chancellor, before the House of Commons Treasury and Civil Service Committee which the City had hoped would provide further enlightenment on official sterling and interest rate policy.

Early trading saw the equity market advance by around 10 FT-SE points, although the buyers were mostly market trading houses picking up stock to meet recent selling orders. Traders are unwilling to leave such commitments open over the long weekend.

However, the absence of genuine investment interest caught up with share prices after lunch, when the market turned off and remained so even after speculation of a slow start on Wall Street proved wrong. The London market ended in a desultory mood, ignoring the gain of 11 points then showing on the Dow Industrial Average.

The FT-SE 100 Index closed 8.2 down at 1756.9, virtually the lowest point of the day. Seaq share volume of 434.3m included a significant contribution from inter-market trades.

The best news of the session came early, when Standard Chartered soothed market fears by maintaining the dividend payment, and also deciding not to join the list of rights issuers currently hanging over the equity sector.

British Aerospace followed up with confirmation of a higher payout, with its generally unimpressive trading figures offset by the strongly favourable reception in the City for the terms of Aerospace's intended purchase of Rover, the UK car group.

There were some signs of interest in the retail stocks as speculative buying boosted turnover in selected issues. But the insurance sector paid little heed to a 15 per cent gain in profits at Guardian Royal.

For most of the day, traders had little to occupy themselves with except their plans for the Easter weekend.

There was some support for the Gilt-edged market, however. Overnight demand for UK Gilts from Japan brought a firm opening, and buoyancy was sustained by Continental European buyers during the early part of the day.

The long end of the market closed with gains of ¼ point while the medium dates, which attract overseas buyers, put on around ⅜.

The short end was dominated by the redemption yesterday of £1.35bn Index-linked 2½ pc Treasury '88 stock. Recognising the shortage of stock resulting from this redeption, the Bank announced that two new tranches of existing stocks would be available to marketmakers this morning — £250m of Index-linked 2pc Treasury '92, and £150m of 8 pc Treasury '91.

This move by the authorities was regarded as no more than the provision of supply in market sectors which have been squeezed this week as redemption time approached for the '88 stock. The market assumes that the two new stock tranches will help to mop up liquidity seeking to re-enter the short dated sector as redemption cash is reinvested.

However, the short dated Index-linked issues put on about ¾ point yesterday as prices continued to reflect the supply position in the marketplace.

Standard Chartered gave the entire equity market, as well as its own shareholders, a major boost by maintaining the dividend and, for the time being at least, passing on the rights issue front. After the announcement of a preliminary loss of £273.8m Standard shares raced up to 465p bid at one point before ending the session a net 5 higher at 448p.

But dealers and analysts remained extremely cautious of Standard Chartered. "They will have to make a rights issue of at least £200m and probably more by the final quarter of this year", said one trader, adding that, "today's share price movement was no more than a knee-jerk reaction. The underlying numbers are nothing short of awful".

British Aerospace, with the Rover deal still fresh in mind, continued to claim considerable attention. Profit-takers moved in on the shares following the announcement of a higher dividend on somewhat gloomy results for the year. Some 12m shares changed hands after the previous day's heavy volume of 20m.

Interest yesterday switched for a while to the group's preliminary figures which revealed the extent of the expectedprovisions (£320m) for future losses by the civil aircraft division and left the company with a pre-tax deficit for the year of £159m. The BAe share price, mainly reflecting a more cautious market view of long term propects if the Rover acquisition goes through, reacted to close 15 down at 397p.

BP, in "old" and "new" forms were actively traded but closed little changed on the day. The "old", with 6.8m traded, edged up to 262½p and the "new", with 6.3m traded, were a fraction off at 71½p. Dealers reported substantial activity on the inter-dealer broker screens.

Other oils were relatively quiet despite the upturn in crude oil prices. Burmah were aggressively bought ahead of the April 7 preliminary results for which the forecast range is between £85m and £73m against the previous £55.2m.

The clearing banks, initially cheered by the Standard Chartered news, thereafter fell away on lack of interest and minor selling triggered by the mortgage rate cut initiated by the Halifax Building Society which will pressure the banks into lowering their rates. Lloyds were 5 down at 268p on turnover of 2.3m shares but dealers were again aware of substantial buying interest in the stock much of which was carried out via the inter-broker dealing screens.

In composites GRE were a shade off at 888p after revealing figures in line with estimates. A stock shortage was said to have been resposible for boosting Sun Alliance 10 to 894p.

Marketmakers reported a low level of activity in the Brewery sector. Speculative demand for Allied-Lyons faded with the price drifting back a few pence in the wake of profit-taking to close 4 cheaper at 383p. Boddingtons, which announced preliminary results in line with market estimates, gave up few pence to 138p.

The Halifax Building Society's decision to cut its home loan rate by half a per cent to 9.8 per cent helped underpin the Building sector, but investors remained cautious for the most part and demand was highly selective. Tarmac were boosted by favourable Press comment and rose 9 to 245p, while Raine Industries put on 3 to 104p in reply to the excellent interim results. Costain rose 6 to 316p on speculation that Trafalgar House may be adding to its 6 per cent stake, and Wilson Bowden firmed 5 to 204p in response to a BZW recommendation and reports of a broker's lunch. Turriff reflected doubled preliminary profits and a proposed one-for-five scrip issue with a rise of 17 at 315p, while Hewden-Stuart added 3 to 127p following revived Scottish buying. Marley, virtually unchanged following the preliminary statement, raced up to 159p after an analysts' favourable meeting, but later drifted back to close unchanged on balance at 153p. Magnet attracted speculative support on takeover hopes and gained 12 to 230p.

Dealers reported numerous substantial turnovers in the retailing sector. The biggest of these was in Marks and Spencer, which hardened a shade to 172p on a turnover of 4.9m. Sears, where BZW are recommending the stock as a "long term buy, a low-risk share in volatile markets" and County NatWest rate the shares a straight "buy", held at 126p after turnover of 4.5m.

Storehouse provided the early action in the sector and raced up to 230p before closing a net 8 higher at 226p; the initial demand was fuelled by stories that Next was seeking to buy the BHS division of the group and that Woolworth was keen on purchasing the Mothercare side of the business. Dealers also reported strong traded options business in Storehouse as well as persistent speculative demand. Talk of a bear squeeze lifted Dixons 3 to 175p with 1.6m shares traded.

The price freeze by British Telecom on main telephone services for the year to end-March 1989 surprised those who had budgeted for aggregate increases in telephone charges of some 1½ per cent. Consequently a flurry of selling of Telecom shares saw the quotation dip 3½ to 244p on turnover of 3.8m shares. Cable & Wireless fell 7 to 315p on turnover of 3.3m.

AB Electronic provided the day's outstanding feature in the sector with the shares soaring 35 to 413p, after 415p, in the wake of interim profits up from £3.15m to £6.35m — well in excess of forecasts.

News of the agreed merger with France's Sema-Metra computer software group, to be carried out via a share exchange offer boosted CAP Group 8 to 200p. The bid values Sema-Metra at almost £94m and will create a company with combined turnover of £240m a year. Elsewhere, Audio Fidelity continued to attract strong support and closed a further 7 higher at 134p. Domino Printing Sciences were hit by news that parts of the group's US interests have been performing below expectations and the shares dropped 18 to 308p. Preliminary results from Ealing Electronics were better than had been feared and Ealing shares moved up 7 to 50p.

Satisfactory preliminary figures and the announcement of a specialised engineering acquisition in the pipeline prompted firmness in Weir Group which closed 8 to the good at 233p. Elsewhere in the Engineering sector, Symonds gained 4 to 45p on news that JF Nash has increased its holding in the company to just over 16 per cent.

A quiet trading session in the International stocks left the majority of quotations with little alteration on the day. Beecham, still reflecting the more favourable prospects for its heart drug Eminase, encountered fresh demand in the early dealings and touched 466p before drifting back to close unchanged on balance at 462p.

Wellcome, up sharply in the previous trading session on the proposed ADR facility in the US, ran into profit-taking and reacted 9 to 452p. Rank Organisation, in contrast, responded firmly to news of the US video deal, with a rise of 12 at 697p; Rank has agreed to buy the entire video duplication operations jointly owned by Bell and Howell, Columbia Pictureasa Entertainment Inc. and Gulf and Western's Paramount Pictures Corporation. Bid hopes continued to sustain Norcros, up 6 further at 417p while speculative demand left Siebe 12 to the good at 332p. Associated British Ports, scheduled to reveal preliminary figures next Thursday, made further headway and closed 11 to the good at 518p. Satisfactory annual results prompted a rise of 34 to 383p in Bowater. ML Laboratories, dealt in on the Third Market, jumped 25 to 213p following the group's progress report on its toxicity studies.

Brent Walker, the leisure group, replied strongly to the good annual results to close 15 higher at 350p.

Lucas Industries, still overshadowed by the recently announced £163m rights issue proposal, dipped 11 more to 548p. Jaguar were steady at 293p. Among Motor Distributors, H. & J. Quick shed 5 to 285p, the good annual results and proposed 100 per cent scrip issue discounted.

Maxwell Communications' preliminary figures were at the lower end of market estimates and prompted a reaction of 7 to 245p in the shares. United Newspapers, also reflecting disappointing annual results, closed 8 cheaper at 428p.

Leading Properties traded quietly and showed little overall change. Elsewhere, Regentcrest met with fresh speculative support and put on 6 to 112p, a two-day rise of 12, while Clarke Nickolls & Coombes gained 7 to 107p following the good annual results. Power Corporation made fresh progress in the wake of the preliminary figures and proposed rights issue to close 6 higher at 116p.

Traded Option activity waned, the total number of contracts falling to 29,189. The FTSE contract registered just 719 calls and 1,708 puts with the near-month series the most popular. British Aerospace recorded 3,690 calls and 1,250 puts in the wake of the annual results and the conditional agreement with the Government for the takeover of Rover Group.

FINANCIAL TIMES STOCK INDICES

	Mar. 30	Mar. 29	Mar. 28	Mar. 25	Mar. 24	Year Ago	1987/88 High	1987/88 Low	Since Compilation High	Since Compilation Low
Government Secs	90.72	90.39	90.18	90.24	90.34	90.14	93.32 (8/5/87)	85.73 (19/10/87)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	97.73	97.67	97.68	97.61	97.52	97.77	99.12 (15/6/87)	90.23 (2/1/87)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1398.1	1405.6	1394.4	1408.3	1421.6	1558.0	1926.2 (16/7/87)	1232.0 (9/11/87)	1926.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	237.2	238.2	240.6	243.2	242.6	445.5	497.5 (4/8/87)	234.0 (29/2/88)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	4.71	4.68	4.66	4.63	4.58	3.76				
Earnings Yld. %(full)	11.90	11.90	11.86	11.75	11.65	8.60				
P/E Ratio (net)	10.19	10.26	10.29	10.37	10.47	14.29				
SEAQ Bargains (5pm)	37,564	31,190	34,585	31,584	33,292	47,598				
Equity Turnover (£m)	-	936.28	942.67	1524.09	1401.16	1520.65				
Equity Bargains	-	48,817	40,411	37,897	37,777	64,046				
Shares Traded (ml)	-	421.5	396.2	478.3	516.1	515.7m				

S.E. ACTIVITY

Indices	Mar.29	Mar.28
Gilt Edged Bargains	145.1	114.3
Equity Bargains	316.3	261.8
Equity Value	1890.4	1905.4
5-Day average		
Gilt Edged Bargains	122.9	121.1
Equity Bargains	263.3	249.2
Equity Value	2264.6	2278.8

♥ Opening 1409.7 | 10 a.m. 1410.3 | 11 a.m. 1407.6 | 12 p.m. 1404.6 | 1 p.m. 1404.1 | 2 p.m. 1404.1 | 3 p.m. 1401.0 | 4 p.m. 1399.7

Day's High 1410.8 Day's low 1398.1

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, S E Activity 1974. * Nil=10.09.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

Traditional Options

- First dealings Mar 28
- Last dealings Apr15
- Last declarations June 30
- For Settlement July 11

For rate indications see end of London Share Service

Quieter conditions prevailed in the Traditional option market. Stocks favoured for the call included A. Preedy, Eurotunnel warrants, Inoco, British Petroleum new, Storehouse, Eagle Trust, Micro Focus, CCF, Underwoods, Clogau Gold, Suter, Exploura, Walter Lawrence, Premier Consolidated and Trimoco. Puts were arranged in British Petroleum new and Willis Faber, while double options were transacted in Inoco and Eagle Trust.

NEW HIGHS AND LOWS FOR 1987/88

NEW HIGHS (13).

BRITISH FUNDS (3) Treasury 8pc 1988-89, Treasury 3pc 1990, Treasury 2pc I-L '90, Treasury 2pc I-L '92, Treasury 2pc I-L '96, LOANS (1) N'wide Ang. 9¾pc 28.12.88, STORES (2) Shorco Grp., Wilson Bowden, HOTELS (1) IoM Enterprises, TRUSTS (1) Drayton Japan, OILS (1) Texaco 8pc Cnv., THIRD MARKET (1), M.L. Laboratories

NEW LOWS (38).

AMERICANS (1) IBM Corp., CANADIANS (1) ABM Gold, STORES (1) Glamar Grp., ELECTRICALS (3) Murray Elect., Murray Tech. Inv., INDUSTRIALS (7) Brit. Bloodstock, Computer People, Harris (Ph.), Magnecard, Optometrics, Reliance Sec., Wilsons (J.), LEISURE (1) Mollnare Visions, PAPERS (3) Associated Paper, Broad Street, SHOES (1) Lambert Hth., TRUSTS (8) Eng. & Dutch Inv., G.I.F.T. Wrrnts., Gen. Con. Inv. Tst. Corp., Scot. Nat. Cap., Kwahu, OILS (2) Anfbrit Int., ... MINES (1) J...

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's
ASDA Group	931
Allied-Lyons	2,700
Amstrad	707
Argyll Group	714
Assoc. Brit. Foods	113
BAA	2,500
BAT	2,000
BET	2,700
BICC	698
BOC	809
BPB Inds.	728
BTR	1,700
Barclays	1,100
Bass	434
Beecham	1,200
Enterprise Oil	[illegible]
Fisons	[illegible]
General Accident	[illegible]
General Elect.	[illegible]
Glaxo	[illegible]
Globe Investment	[illegible]
Granada	[illegible]
Grand Met	[illegible]
GUS "A"	[illegible]
Guardian R.E.	[illegible]
GKN	[illegible]
Guinness	[illegible]
Hammerson	[illegible]
Hanson	[illegible]
Hawker Siddeley	[illegible]

[illegible]

FT – ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Wednesday March 30 1988 Index No.
1 CAPITAL GOODS (209)	742.09
2 Building Materials (30)	1008.13
3 Contracting, Construction (34)	1548.69
4 Electricals (11)	1973.30
5 Electronics (32)	1481.59
6 Mechanical Engineering (58)	388.21
8 Metals and Metal Forming (7)	438.56
9 Motors (13)	266.63
10 Other Industrial Materials (24)	1221.09
21 CONSUMER GROUP (185)	1021.75
22 Brewers and Distillers (21)	1051.25
25 Food Manufacturing (23)	816.64
26 Food Retailing (16)	2053.92
27 Health and Household Products (10)	1784.73
29 Leisure (31)	1249.59
31 Packaging & Paper (16)	491.28
32 Publishing & Printing (16)	3372.88
34 Stores (34)	799.85
35 Textiles (16)	541.46
40 OTHER GROUPS (93)	859.48
41 Agencies (19)	1125.48
42 Chemicals (20)	996.59
43 Conglomerates (14)	1142.61
45 Shipping and Transport (12)	1961.43
47 Telephone Networks (2)	834.98
48 Miscellaneous (26)	1126.88
49 INDUSTRIAL GROUP (487)	920.35
51 Oil & Gas (13)	1776.48
59 500 SHARE INDEX (500)	992.46
61 FINANCIAL GROUP (122)	641.73
62 Banks (8)	646.02
65 Insurance (Life) (8)	947.38
66 Insurance (Composite) (7)	517.41
67 Insurance (Brokers) (7)	846.38
68 Merchant Banks (11)	341.41
69 Property (51)	1189.41
70 Other Financial (30)	383.94
71 Investment Trusts (82)	855.34
81 Mining Finance (2)	442.88
91 Overseas Traders (8)	993.23
99 ALL-SHARE INDEX (714)	964.13
FT-SE 100 SHARE INDEX ♦	1754.9

[illegible]

FIXED INTEREST

PRICE INDICES	Wed Mar 30	Day's change %	Tue Mar 29	xd adj. today	xd adj. 1988 to date
British Government					
1 5 years	123.49	+0.13	123.33	-	3.19
2 5-15 years	142.36	+0.37	141.83	-	2.95
3 Over 15 years	151.39	+0.50	150.63	-	4.16
4 Irredeemables	169.89	+0.41	169.19	-	1.54
5 All stocks	138.63	+0.32	138.19	-	3.39
Index-Linked					
6 5 years	126.28	+0.47	125.69	-	0.51
7 Over 5 years	118.20	+0.53	117.48	-	0.88
8 All stocks	118.60	+0.52	117.98	-	0.85
9 Debentures & Loans	119.78	-0.37	119.78	0.45	2.23
10 Preference	88.49	-0.33	88.61	-	1.39

AVERAGE GROSS REDEMPTION YIELDS: [illegible]

♦ Opening index 1772.8; 10 am 1775.0; 11 am 1770.8; Noon 1766.8; 1 pm 1766.2; 2 pm 1766.2; 3 pm 1760.4; 3.30 pm 1757.8; 4 pm 1758.7

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

LONDON TRADED OPTIONS

[illegible]

March 30 Total Contracts 29,189 Calls 16,357 Puts 12,832
FT-SE Index Calls 719 Puts 1708
*Underlying security price.

LONDON RECENT ISSUES

EQUITIES

[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	[illegible]	[illegible]	[illegible]
Corporations, Dominion and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Properties	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Others	[illegible]	[illegible]	[illegible]
Totals	702	778	1,496

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

WORLD STOCK MARKETS

AUSTRIA · BELGIUM/LUXEMBOURG · DENMARK · FINLAND · FRANCE · GERMANY · GERMANY (continued) · NETHERLANDS (continued) · ITALY · NETHERLANDS · NORWAY · SPAIN · SWEDEN · SWEDEN (continued) · SWITZERLAND · SOUTH AFRICA

[illegible]

JAPAN

Iwatsu Electric	925	+10
JAL	15,500	+400
JEOL	1,170	-30
Japan Radio	1,390	+20
Japan Steel Wks	430	+5
Jap S Battery	495	-3
Japan Synth Rbr	962	-10
Jujo Paper	852	+32
Nikko Sec	2,110	+60
Nippon Denso	1,920	
Nippon Elect	2,150	+30
Nippon Express	1,180	+40
Nippon Gakki	2,370	+90
Nippon Hodo	3,390	-40
Nippon Kayaku	1,250	+20
Nippon Kogaku	1,230	+30
Taisei Corp	945	
Taisho Marine	1,160	
Taisho Pharm	1,850	
Taiyo Fishery	498	
Taiyo Kobe Bank	1,580	
Takara Shuzo	910	
Takeda	3,040	
Terumo Seiyaku	2,640	

AUSTRALIA · AUSTRALIA (continued) · HONG KONG · SINGAPORE

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. [illegible]

CANADA

TORONTO

Prices at 2.30pm March 30

[illegible]

MONTREAL

Closing prices March 29

[illegible]

t—No voting rights or restricted voting rights.

OVER-THE-COUNTER Nasdaq national market, 3pm prices

Continued from Page 45

Stock	Sales (Hds)	High	Low	Last	Chng
RoyGld	46	17	[illegible]	[illegible]	[illegible]
Roylprs	35	107	[illegible]	[illegible]	[illegible]
RyanFs	23	2175	[illegible]	[illegible]	[illegible]
S					
SCI Sys	15	1525	[illegible]	[illegible]	[illegible]
SCORU	6	68	9	9	9
SEIs	22	42	17	$16\frac{1}{2}$	$16\frac{1}{2}$ — [illegible]
SHL Sys		980	[illegible]	[illegible]	[illegible]
Safecds	6	1239	[illegible]	[illegible]	[illegible]
Safecos .88	5	496	24	[illegible]	24 + [illegible]
SageSt	12	53	[illegible]	8	8 — [illegible]
Sahlen		244	[illegible]	[illegible]	[illegible]
SrpdSv1.43t	14	15	[illegible]	[illegible]	[illegible]
Stars		42	[illegible]	1 1-16	1 1-16 — 1-16
SunStBo .48	11	1787	[illegible]	[illegible]	[illegible]
StewStv	19	51	$24\frac{1}{2}$	24	24 — $\frac{1}{2}$
Stratus	25	4019	[illegible]	$26\frac{1}{2}$	[illegible]
Strykrs	27	212	[illegible]	[illegible]	22
Subaru		1423	7	[illegible]	[illegible]
SunGrd	21	28	17	[illegible]	[illegible]
USTrst 1.16	13	315	[illegible]	$44\frac{1}{2}$	[illegible]
UnTelev	41	165	$25\frac{1}{2}$	25	25 — [illegible]
UnvFrs .12	14	53	18	18	18 + [illegible]
UnvMed.30a		553	6 1-16	4 15-16	6
V V					
VLSI	27	1579	[illegible]	[illegible]	$9\frac{1}{2}$ + [illegible]
VM Sft	82	68	12	[illegible]	[illegible]
Wyman .80	19	24	$15\frac{1}{2}$	$15\frac{1}{2}$	$15\frac{1}{2}$ — $\frac{1}{2}$
Wyse	16	1670	[illegible]	$15\frac{1}{2}$	$15\frac{1}{2}$ — $\frac{1}{2}$
X Y Z					
XOMA		526	[illegible]	[illegible]	[illegible]
Xicor	25	2366	[illegible]	[illegible]	[illegible]
Xidex		371	[illegible]	[illegible]	[illegible]
Xylogic	19	31	12	[illegible]	12
Xyvsn	27	119	[illegible]	[illegible]	[illegible]
YlowFs .62	25	83	25	[illegible]	[illegible]
ZionUt 1.44		65	[illegible]	$24\frac{1}{2}$	[illegible]
Zondvn	45	426	$9\frac{1}{2}$	[illegible]	[illegible]
Zycad	21	22	[illegible]	[illegible]	[illegible]

Other listings on this page: [illegible]

CHIEF LONDON PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

A.B. Electronic	413	+ 35
Assoc. Brit. Ports	516	+ 11
Audio Fidelity	134	+ 7
Brent Walker	350	+ 15
Burmah	514	+ 14
CAP Group	200	+ 6
Clarke,Nickolls	107	+ 7
Ealing Electro	50	+ 7
Rank Org.	697	+ 12
Regentcrest	112	+ 6
Siebe	332	+ 12
Storehouse	226	+ 6
Turriff	315	+ 17
Weir	233	+ 8

FALLS

Brit.Aerospace	397	− 15
Domino Printing	308	− 16
Lucas Inds.	548	− 11
Maxwell Comms.	245	− 7
Morgan Grenfell	244	− 12
Utd. Newspapers	428	− 9
Wellcome	452	− 9

TOKYO - Most Active Stocks
Wednesday, March 30, 1988

	Stocks Traded	Closing Prices	Change on day
Nippon Steel	320.44m	489	+15
Sumitomo Metal	213.01m	412	+16
Mitsubishi Elec	115.30m	749	+20
Kawasaki Steel	81.33m	411	+18
Nippon Kokan	77.04m	404	+15
Sumitomo Heavy Industries	60.93m	670	+24
Nissan Motor	52.95m	960	+6
Oji Paper	36.91m	1,530	+80
Kubota	36.89m	747	+7
Ishikawajima-Harima Heavy Industries	35.24m	929	+18

INDICES

NEW YORK — DOW JONES

	Mar. 29	Mar. 28	Mar. 25	Mar. 24	1987-88 High	1987-88 Low	Since compilation High	Since compilation Low
ϕIndustrials	1998.34	1979.77	1978.95	2023.87	2722.42 (25/8/87)	1738.42 (19/10/87)	2722.42 (25/8/87)	41.22 (2/7/32)
Home Bonds	89.76	89.75	89.88	90.05	95.51 (9/2/87)	81.26 (19/10/87)	—	—
Transport	863.80	854.84	860.96	878.73	1101.16 (14/8/87)	661.00 (4/12/87)	1101.16 (14/8/87)	12.32 (8/7/32)
Utilities	172.95	173.01	173.07	174.43	227.83 (22/1/87)	160.98 (19/10/87)	227.83 (22/1/87)	10.50 (8/4/32)

ϕDay's High 2018.57 (1990.88) Low 1979.61 (1951.26)

STANDARD AND POOR'S	Mar. 29	Mar. 28	Mar. 25	Mar. 24	1987-88 High	1987-88 Low	Since compilation High	Since compilation Low
Composite‡	260.07	258.06	258.51	263.35	336.77 (25/8/87)	223.92 (4/12/87)	336.77 (25/8/87)	4.40 (1/6/32)
Industrials	301.70	299.08	299.53	305.31	393.17 (25/8/87)	255.43 (4/12/87)	393.17 (25/8/87)	3.62 (21/6/32)
Financials	22.55	22.46	22.50	22.90	32.43 (25/8/87)	20.39 (7/12/87)	32.43 (25/8/87)	8.64 (1/10/74)
NYSE Composite	147.22	146.11	146.58	149.00	187.99 (25/8/87)	125.91 (4/12/87)	187.99 (25/8/87)	4.46 (25/4/42)
Amex Mkt. value	294.33	292.00	294.64	297.30	365.01 (13/8/87)	231.90 (4/12/87)	365.01 (13/8/87)	29.31 (9/12/72)
NASDAQ OTC Comp	372.96	370.42	372.54	375.60	455.26 (26/8/87)	291.90 (28/10/87)	455.26 (26/8/87)	54.87 (31/10/72)

	Mar. 25	Mar. 18	Mar. 10	year ago (approx.)
Dow Industrial Div. Yield	3.53	3.35	3.54	2.86
	Mar. 23	**Mar. 16**	**Mar. 9**	**year ago (approx.)**
S & P Industrial div. yield	2.93	2.94	2.93	2.58
S & P P/E ratio	15.39	15.35	15.41	20.82

TRADING ACTIVITY † Volume

Millions	Mar. 29	Mar. 28	Mar. 25
New York	152.690	143.484	163.170
Amex	10.984	12.070	11.774
OTC	118.225	109.041	116.478

NEW YORK	Mar. 29	Mar. 28	Mar. 25
Issues Traded	1,964	1,954	1,957
Rises	1,015	434	377
Falls	467	1,104	1,149
Unchanged	482	416	431
New Highs	14	3	28
New Lows	6	19	14

CANADA

TORONTO	Mar. 29	Mar. 28	Mar. 25	Mar. 24	1987-88 High	1987-88 Low
Metals & Minerals	2682.0	2700.2	2722.5	2766.1	3507.5 (5/10/87)	1989.2 (2/1/87)
Composite	3293.1	3270.0	3280.8	3322.2	4112.9 (13/8/87)	2837.8 (28/10/87)
MONTREAL Portfolio	1631.01	1621.40	1623.26	1646.51	2224.77 (16/7/87)	1435.94 (26/10/87)

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Bankers Tst N.Y.	5,801,200	$31\frac{1}{2}$	− $\frac{1}{4}$
Vardy Corp	5,593,600	$3\frac{1}{4}$	+ $\frac{1}{4}$
Texaco	3,086,200	48	+ $3\frac{1}{4}$
Lucky Stores	2,690,000	$49\frac{1}{4}$	+ $1\frac{1}{4}$
Stm Calif Ed	2,623,600	$30\frac{1}{4}$	− $\frac{1}{2}$
Mesa Energy	2,591,700	$6\frac{1}{4}$	—
Nabisco Rjr	2,225,800	$52\frac{1}{4}$	+ $4\frac{1}{4}$
Navistar	1,945,700	$6\frac{1}{4}$	+ $\frac{1}{4}$
IBM	1,897,800	$105\frac{1}{4}$	− $2\frac{1}{4}$
AT&T	1,849,900	$26\frac{1}{4}$	+ $\frac{1}{4}$

Base values of all indices are 100 except NYSE All Common — 50; Standard and Poor's — 10; and Toronto Composite and Metals — 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 industrials plus 40 utilities, 40 Financials and 20 transports. (c) Closed. (u) Unavailable.

WORLD INDICES

	Mar. 30	Mar. 29	Mar. 28	Mar. 25	1987-88 High	1987-88 Low
AUSTRALIA All Ordinaries	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
All Mining	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AUSTRIA Credit Aktien	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BELGIUM Brussels SE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DENMARK Copenhagen SE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FINLAND Unitas General	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FRANCE CAC General	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ind. Tendance	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GERMANY FAZ Aktien	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commerzbank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HONG KONG Hang Seng Bank	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ITALY Banca Comm. Ital.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
JAPAN Nikkei	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tokyo SE New	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NETHERLANDS ANP-CBS General	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ANP-CBS Indust	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NORWAY Oslo SE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SINGAPORE Straits Times Ind.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SOUTH AFRICA JSE Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
JSE Industrial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SPAIN Madrid SE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SWEDEN Jacobson & P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SWITZERLAND Swiss Bank Ind.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WORLD M.S. Capital Int.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Amended at source. (p) Danish Stock Exchange closed [illegible]

Base values of all indices are 100 except Brussels SE — 1,000; JSE Gold — 255.7; JSE Industrials — 264.3 and Australia, All Ordinary and Metals — 500. (c) Closed. (u) Unavailable.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
25⅝	14	AAR ●	.36	1.6	19	310	23⅞	23½	23½	−½
38⅛	21	AFG s	.16	.5	14	289	32¾	32½	32⅝	+¼
27	10½	AGS ●			14	251	17⅛	16⅝	16⅝	−¼
10½	4⅝	AMCA				30	4½	4½	4½	
8⅝	3¼	AM Intl				1168	4⅛	3⅞	4	
60½	26¾	AMR			16	3127	42⅞	41½	42	
12¼	6⅝	ARX			6	90	6¼	6	6	−⅛
73½	40⅛	ASA	3	6.7		422	45⅛	44⅝	45	−½
22⅝	9⅛	AVX			13	177	16⅝	15⅞	16	−⅛
66⅝	40	AbtLab1.20		2.6	17	4359	47⅞	46⅞	46⅞	−½
28	15⅝	Abitibi g				102	18⅞	18¼	18½	−⅝
18¾	6½	AcmeC .40		3.1		120	12¾	12⅝	12¾	+⅛
10½	6⅞	AcmeE.32b		4.7	18	118	7½	d6¾	6¾	[illegible]
20	14⅛	AdaEx 3.05e		10.		149	16	15⅝	16⅛	−¼
19¼	6⅞	AdamMl.24		1.9	70	65	16	12¾	12¾	−⅛
24⅞	7½	AMD				1601	11⅛	11	11⅛	−¼
56¾	29¼	AMD pf	3	8.6		16	35½	35	35	
11⅞	4⅝	Adobe			13	219	7¾	7⅝	7⅝	
20½	16¼	Adob pf 1.84		10.		63	18¼	17¾	17¾	−⅜
21⅜	17½	Adob pf 2.40		12.		4	20½	20⅜	20½	+⅛
16	6⅛	Advest .12a		1.7	7	123	7⅛	7⅛	7⅛	−½
64⅛	46⅛	AetnLf 2.70		8.4	6	2657	44	d42⅞	42⅞	−⅜
99	80¼	AetL pfC8.12e		8.6		152	93	91½	93	+2¼
83½	61	AffilPub .48		.8	36	419	62⅛	61⅛	62⅛	+⅜

NYSE COMPOSITE CLOSING PRICES

Continued from Page 44

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
85	65¾	PhE	pfH7.80	11.		z20	72⅛	72⅛	72⅛	
12½	9¾	PhE	pfO1.28	12.		40	11¼	10⅞	11	−⅛
117	108⅛	PhE	pfM15.25	14.		2110	119	110	116	
99¼	79	PhE	pfK9.50	11.		z300	88⅞	88⅞	88⅞	
84	64	PhE	pfJ7.80	11.		z120	72	72	72	−1
82	60	PhE	pf7.75	11.		z10	71	71	71	
17⅞	13⅛	PhilSub	.94	6.0	14	25	15¾	15½	15⅝	+⅛
124½	77⅛	PhilMr	3.60	4.0	10	5536	91⅛	88⅞	88⅞	−1⅛
23⅞	12½	Philpln	.44	2.1	14	270	21⅛	20¼	20½	−⅝
27⅞	12⅝	PhlGl	.95e	5.8	7	877	16¾	16⅛	16¼	−¼
18¾	10	PhilPet	.60	3.8	275	8789	17	16¼	16½	+⅛
24¾	22⅝	PhlPt	pf1.75e	7.3		10	23⅞	23⅞	23⅞	
26½	7½	PhlVH s	.28	2.4	8	199	12⅛	11⅞	11⅞	
8⅝	2⅝	Phlcorp				73	5	5	5	
29¼	17½	PiedNG	1.48	6.7	9	62	22⅛	21¾	22⅛	+⅛
14⅝	4¾	Pier 1	.08	1.0	11	552	8⅛	8	8	−¼
8⅞	5¼	PilgRg	.32e	3.0		186	7½	7¼	7¼	−⅛
14	8⅝	PilgPr	.60	1.3	10	40	4⅝	4½	4⅝	+⅛
48⅞	28	Pilsbry	1.16	2.7	51	5141	42	41	41	−⅛
32⅝	26⅝	PinWst	2.80	10.	6	351	27⅜	27⅛	27¼	−⅛
54	22¼	PionrEl	.24r	.4		62	53½	53¼	53½	+⅛
50¼	29⅝	PitnyBw	.82	2.0	10	3152	46	44¾	45⅝	+⅛
193	130	PitnB	pf2.12	1.2		1	179	179	179	+9
16⅛	8½	Pittstn				1280	12⅛	12	12⅛	+⅛
21⅜	10⅞	PlorD	gn.20			2157	12¾	12⅝	12¾	+⅛
33⅝	18¼	PlainsP	.10e	.4	34	25	26	25½	25½	−⅛
25¼	11½	Plantrn	.10	.5	11	2	17⅝	17⅝	17⅝	
18⅝	10	Playboy			17	8	14⅞	14⅞	14⅞	−⅛
9	2½	PogoPd			16	805	5	4¾	4⅞	−⅛
41⅜	18½	Polard s	.60	2.0	10	6160	31⅛	29⅝	30¾	+1¼
27¼	9¾	PopTals	.50	2.6	5	416	19⅝	19⅜	19⅝	+⅛
14⅞	4½	Portec				29	6	5⅞	5⅞	
27¾	20⅝	PortGC	1.90	9.1	9	658	21⅞	21⅝	21⅝	−⅛
[illegible]										
35	60	Xerox	5	5.6	10	1833	54¼	53	53¼	−⅝
50¾	49⅝	Xerox	pf4.12	3.4		385	49½	d49	49⅝	−⅛
34⅝	12⅛	XTRA	.64	2.0	16	246	32	31⅞	21⅝	+¾
29½	19½	XTRA	pf1.94	7.2		32	26	27	27	
43¾	17½	Yorkln			14	1053	40½	38¾	38¾	+⅛
7¼	2¼	Zapata				174	3¼	5	3¼	+⅛
37	18½	Zayre	.40	1.8	16	2316	22¼	21¼	21⅝	−⅜
18⅝	8⅝	Zemex	.40	3.1	17	8	12	12⅞	12⅞	−⅛
33⅝	10	ZenithE				1629	18⅞	18½	16½	
13⅛	2½	ZenLab				1823	2¾	2½	2½	−⅛
54	13⅛	ZenNtl	.80	4.0	10	333	20⅝	20⅛	20¼	
20⅝	11⅝	Zero	.36	2.5	16	134	14⅝	14⅜	14⅜	−⅛
30¾	15	Zurnls s	.60	3.3	14	256	21¼	20½	20½	−⅛
15⅝	7⅝	Zweig	1.34e	14.		543	10	9⅞	9⅞	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls – sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-divident or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in-full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
[illegible]							

OVER-THE-COUNTER

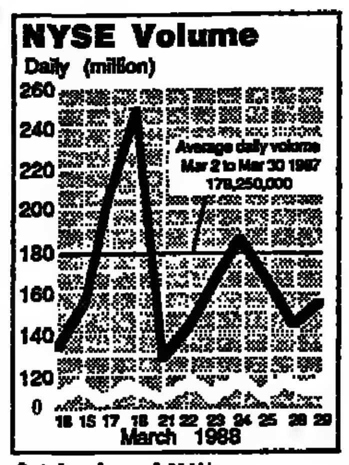
Nasdaq national market, 3pm prices

Stock	Sales (Hads)	High	Low	Last	Chng
[illegible]					

Continued on Page 43

AMERICA

Retreating dollar leaves equities in nervous mood



Wall Street

CURRENCY movements dominated the market again yesterday morning in a session of quiet hut very nervous trading, *writes Anatole Kaletsky in New York.*

After opening higher and advancing 14 points in the first 45 minutes, the Dow Jones Industrial Average encountered strong resistance at the 2,010 level, as had been widely predicted by technical analysts.

With the dollar also beginning a retreat from its overnight Tokyo highs, the equity market developed jitters towards lunchtime and the Dow moved into negative territory around midday.

By 12.30pm, the Dow had fallen 8.29 to 1,990.05 and was still moving down. The higgest problem for the market was the dollar's apparent inability to stay above the Y125 mark which had repeatedly been defended by the Bank of Japan and, in a smaller way, by the Federal Reserve.

Although the US currency's setbacks were due primarily to generalised bearishness and the absence of any follow-through intervention hy the central banks, the foreign exchange markets were not helped hy the release of weaker than expected figures for factory orders. These showed a drop of 0.8 per cent in February, the higgest setback since a 1.4 per cent decline last August.

These figures are known to be extremely erratic and are generally seen as only marginally significant by the markets. Nevertheless, the substantial fall, when average expectations were for an unchanged figure, may have contrihuted to some misgivings among equity investors and currency speculators about the US economy's underlying strength.

For the bond market, the mildly positive implications of the factory orders were more than offset by the concerns about the dollar's weakness. The Treasury long bond fell ¼ point to 101⅝, a price at which it yielded 8.757 per cent.

There was no sign of Fed intervention during the morning and the market saw no indications of any monetary policy changes emerging from the meeting of the Federal Open Market Committee which was concluded yesterday.

Apart from the absence of any economic encouragement and the general lethargy in the market before the Easter holiday, equity investors had a number of technical worries with which to contend.

First there was the market's difficulty in making a convincing hreak through the 2,000 level on the Dow and the strong resistance charted at 2,010 and 2,030.

More fundamentally, there was the dismal performance of International Business Machines and Digital Equipment, the two biggest computer stocks, which are widely seen as bellwethers for capital spending throughout the US economy as well as being key institutional favourites.

Both stocks had recovered somewhat on Monday, encouraging hopes of a hroadly based rally from last week's lows. But yesterday morning they renewed their downtrend. IBM fell $⅞ to $105, a level less than 3 per cent above its October 19 low of $102. DEC dropped $3¾ to $102, which compared with a post-crash low of $110.

AT&T, another key technology stock was also nearing its post-crash nadir, having fallen $¼ to $26⅞. This compared with an October low of $26¼.

As usual, the brightest spots in the market were among the takeover-related stocks. Texaco enjoyed the morning's heaviest trading. It rose $⅞ to $48⅛ with 2.3m shares changing hands, as arbitrageurs positioned themselves for the widely-anticipated battle hetween the company's management on the one hand and its two largest shareholders, Mr Carl Icahn and Kohlberg Kravis Roberts, on the other.

Among the other speculative issues, Federated Department Stores gained another $⅜ to $70¼, as the market awaited the outcome of the auction held yesterday morning between Macy's and Campeau.

Gillette rose $⅜ to $44⅜ as rumours persisted ahout a possible hid from Philip Morris or another suitor.

Canada

RISING energy issues, industrials and base metals pushed the market higher in active, midday trading.

The composite index rose 30.7 to 3,323.9 as advances outpaced declines hy 348 to 263 on heavy volume of 18.4m shares.

Nova of Alberta, which has amended its offer for Polysar Energy and Chemical to C$22½ per share, topped the list of most actives, climbing C$1¼ to C$12. Polysar gained C$2⅜ to C$21.

Among energy issues, Imperial Oil class A rose C$⅝ to C$59⅝, Gulf Canada Resources moved ahead C$¼ to C$16⅝.

EUROPE

Milan sees most movement in thin pre-Easter markets

THE RUN-UP to the Easter holiday left bourses mixed around Europe yesterday, altbongh Milan was hopping with rumours which continued to boost shares. The gains on Wall Street and in the dollar aided sentiment, *writes Our Markets Staff.*

FRANKFURT fell back from a higher opening to close mixed as operators squared their positions before Easter.

The market took some cheer from a good forecast for 1988 from Deutsche Bank, and on news of good results from chemicals group Hoechst.

Deutsche Bank, which at the same time reported a sharp fall in annual profits, rose DM1 to DM407, after adding DM3 at the opening. Hoechst, which also predictad further good growth ahead, was off 90 pfg at DM262.50.

Other chemicals fell, after a recent good run, with Bayer down DM1.50 at DM264.50 and BASF 60 pfg lower at DM244.80.

Bonds were np to 10 points higher, giving a yield on the 10-year unit of about 6.21 per cent.

MILAN moved ahead sharply, fuelled by an abundance of bullish rumours about carmaker Fiat, which closed 3.5 per cent higher at L9,320, a gain of L315.

The MIB index finished 25 points higher at 1,069 in an active session, dominated hy speculative trading. Foreigners and domestic institutions played only a limited role.

One analyst attributed the current volatility of the market partly to local investors unwinding stock option positions after making good gains.

The rumours, old and new, about Fiat suggested it might be seeking a stake in BMW, entering a production agreement with Rover of the UK, or planning a scrip issue. Some of the speculation stemmed from recent heavy purchases of Fiat stock hy an Italian brokerage house.

De Benedetti holding group Cir gained L330 to L6,150 after its racent setback from great heights. Cir stock had risen 21 per cent in the 10 days to last Thursday, reaching L6,450.

PARIS saw limited huying interest in the run-up to the first round of the presidential elections next month, and ended the day lower.

The hourse opened slightly higher on some short-covering, with the CAC General index np 2.2 at 287.5. Bnt the market closed down about 0.4 per cent as concern about the near-term direction of global markets took hold.

Saint-Gohain, which announced plans to increase its capital hy about 12 per cent to help finance recent acquisitions and share purchases, edged up 10 centimes to FFr400.10.

AMSTERDAM saw moderate trading amid some nervousness, although the firmer dollar helped sentiment.

The midsession ANP-CBS index closed 3.2 higher at 243.5, although prices fell in later trading. "The market was basically looking for an even stronger Wall Street last night," said one trader.

Steelmaker Hoogovens closed Fl 4 lower at Fl 33.80 after announcing a loss of Fl 74.6m last year and saying it expected a return to profit this year.

Distiller Bols closed up Fl 4.50 at Fl 118.50, and later reported an 8.6 per cent profits rise. Unilever dropped 50 cents to Fl 111.50 amid selling of options in the stock.

STOCKHOLM moved higher in relatively light turnover, belped by the stronger dollar and previous gains in New York.

Volvo, which announced the purchase of Leyland Bus of the UK, added SKr2 to SKr335. Electrolux B shares climbed SKr6 to SKr 236 the day after the company reported the purchase of a UK seathalt business. The Affaersvaerlden index was unavailable.

BRUSSELS ended mixed in quiet pre-Easter trading, with interest focusing on three shares – retailer GB-Inno, oil group Petrofina and financial and industrial holding company Groupe Bruxelles Lambert.

GB-Inno, which announces 1987 results later this week, added BFr2 to BFr1,216, with a moderate 30,000 shares traded. Petrofina, which saw large buy orders, ended unchanged at BFr11,200. And GBL was steady at BFr3,140 after reporting a 12 per cent fall in earnings. The Brussels stock index added 34.39 to 4,886.27.

ZURICH was underpinned by the healthier dollar and hy Wall Street's performance, witb the Crédit Suisse index adding 0.4 to 438.0.

Engineer Georg Fischer reported annual profits up 5.4 per cent and climbed SFr5 to SFr805 and machinery maker Adolph Saurer hearers fell SFr22 to SFr350 on news that Swiss financier Mr Tito Tettamanti had acquired a 55 per cent stake and planned to convert it into an industrial holding company.

OSLO trading was husy as the pre-Easter rally continued, with the all-share index moving np 4.88 to 397.69 on turnover of NKr287.4m.

● In a story about the Vienna bourse in yesterday's paper, the old share price of Montana should have read Sch11,000 ($935).

London

A STEADIER dollar gave London a note of confidence as it wound down for the long Easter weekend. Trading was thin, bowever, and a broad lack of interest left the FT-SE 100 index down 8.2 at 1,758.9.

In internationals, Beecham found fresh demand on better prospects for its heart drug Eminase, reaching 468p before closing steady at 462p.

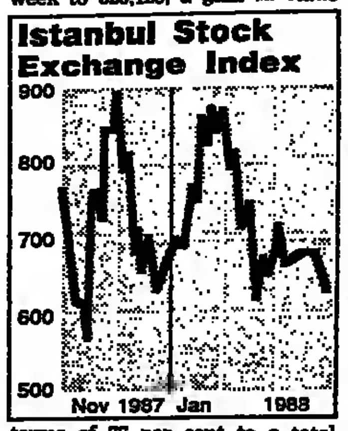
Jim Bodgener reports on a spurt in volume

Turkish privatisation is much-needed fillip

TURKEY'S first major privatisation issue has given the revamped Istanbul stock exchange a much-needed shot in the arm. The first shares hived off from telephone maker Teletas entered the exchange last week, and immediately gained 26 per cent in price.

Deposit interest rate hikes introduced by the Government on February 4 to correct a free market foreign exchange crisis had badly hit the fragile stock exchange as investors switched to deposit accounts that promised better short-term returns.

Although the index remains fairly depressed, the number of shares traded last week rose by 57 per cent over the previous week to 520,125, a gain in value terms of 77 per cent to a total TL4.6bn ($3.7m).



The sale of 22 per cent of the Government's 40 per cent holding in Teletas was designed to test demand before much larger denationalisation issues from the state economic enterprise (SEE) sector. Applications through bank branches across the country left the 3m share issue more than four times over-subscribed.

The Government now plans to press ahead with other issues, initially of the most profitahle and saleahle SEEs. They will start with five cement plants operated hy state cement corporation Citosan, which has been huoyed up hy a domestic construction boom.

Fears remain, however, that a deluge of privatisations could swamp available investible capital, and thus the exchange itself.

Although trading activity has grown markedly since its relaunch from a moribund existence in early 1986, it is still minuscule hy international standards, with a market capitalisation of only $300m. In its blue chip senior market, the shares of only about 50 companies are traded and these represent just 25 to 30 per cent of the companies' total equity. The rest is concentrated in institutional and family holdings and most companies do not see the exchange as a primary source of working capital.

Investors' confidence has not been helped by price volatility – put down to inexperience – and the lack of authoritative guidelines or codes of practice. There have been suggestions that there is considerable insider trading.

Another difficulty for investors is that, as yet, few Turkish concerns are properly audited to international standards.

Despite these teething problems, there are promising signs for the exchange. One is that foreign investment funds have made large profits from placing small amounts of their high-risk capital growth funds here, says one Istanbul-based foreign financier.

Almost all the major European investment funds have inquired about prospects on the exchange.

However, it is still a market of high risks: there is the danger of a devaluation of the lira against foreign currencies, periodic shortages of foreign exchange, and the need for a sound custodian in Turkey to avoid false accounting.

Another obstacle for foreign investors is the large commission charged hy hanks for foreign exchange transactions. Although down from 25 per cent charged in January and February, they are still high at 10 per cent.

A particularly good time to invest in Turkey is during the second quarter of the year, when companies have traditionally chosen to increase their share capital, according to an Istanbul-based foreign hanker, who is keen to see a further inflow of foreign funds. As yet most companies do not raise share capital hy rights or bonus issues, but simply by distributing a combination of free shares and shares paid for at their nominal value, paving the way for huge profits.

Despite the short-term difficulties, the long-term outlook is good, according to local and foreign financiers in Istanbul. Turkey has been compared to Spain and Portugal a decade ago – and the Government is committed to the development of the capital markets through privatisation.

ASIA

Nikkei passes 26,000 in hectic trade

Tokyo

LARGE-CAPITAL and high-technology stocks were in strong demand in Tokyo yesterday, helping to send share prices past the 26,000 mark for the first time in about five and a half months, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei average closed up 366.98 at the day's high of 26,320.07, breaching 26,000 for the first time since October 16. It is now only 326 points below its record high of 26,646.43 reached on October 14.

Yesterday's low was 25,980.35, and trading was very active with ahout 1.9hn shares changing hands against Tuesday's 1.07bn. Advances outpaced declines by 686 to 244, with 126 issues unchanged.

Wall Street's overnight advance and the dollar's sharp rally against the yen sparkad strong huying interest.

Chief huyers in yesterday's trading were brokerage houses, husiness corporations, individuals and foreigners. But institutions, with their huge investment funds, were still hanging back.

Among large-capital stocks, Nippon Steel topped the active list witb 320.4m shares traded, and rose Y15 to Y489. Sumitomo Metal Industries, aecond with 213m shares, finished Y16 higher at Y412.

Heavy electricals were also popular, with Mitsuhishi Electric adding Y20 to Y749, Toshiba Y13 to Y809 and Hitachi Y30 to Y1,450. Mitsubishi was the third husiest issue with 115.3m shares.

There was further strong demand for Matsushita Electric, in which 19.8m shares changed hands. The high-technology issue closed Y50 higher at Y2,700 after reaching Y2,750.

Fujitsu added Y30 to Y1,530 and Sony Y110 to Y5,240. Nissan Motor, with 53m shares traded, advanced Y26 in early trading, hut came under profit-taking pressure to end up Y6 at Y960.

Large-capital chemicals and some paper-pulp issues fared well. Mitsuhishi Petrochemical put on Y40 to Y1,490, Mitsui Petrochemical Y70 to Y1,480, Oji Paper Y80 to Y1,530 and Jojo Paper Y32 to Y852.

Among trading houses and shipping stocks, Mitsui and Co. rose Y30 to Y920, C. Itoh Y23 to Y858, Mitsuhishi Y50 to Y1,380 and Nippon Yusen Y45 to Y625.

Bond prices moved erratically on speculation over purchases of government bonds hy the Bank of Japan on the *gensaki*, or repurchase, market.

The yield on the benchmark 5.0 per cent government hond, maturing in December 1997, fell from 4.490 per cent at Tuesday's close to 4.465 per cent in early trading as some dealers stepped up huying in anticipation of the Bank's action.

But the yield rose to 4.500 per cent following reports that the central bank had offered to buy 10- and 20-year honds from some financial institutions and brokerages under *gensaki* agreements starting April 2 and expiring on May 20. Later, the price of the benchmark issue advanced in response to the firmness of bond futures prices, and its yield ended trading at 4.470 per cent.

On the Osaka Securites Exchange, large-capital issues were the most popular, helping drive share prices higher for the third consecutive trading day.

The 250-issue OSE stock average ended 329.35 points higher at 26,269.77, on an estimated volume of 253.8m shares, up 86.4m shares from Tuesday.

Hong Kong

PROFIT-TAKING by small investors in the run-up to the Easter holiday reduced the day's gains, with the Hang Seng index rising 7.31 to 2,526.92 after posting a 35-point increase in the morning.

Turnover reached HK$892m against HK$816m on Tuesday, with especially strong demand for property stocks.

Cheung Kong, which announced a final dividend of 16 cents, rose 10 cents to HK$7.50. News of its 23 per cent rise in annual profits came after the market's close.

The strong property market produced gains for Sun Hung Kai Properties, np 20 cents at HK$9.80, and New World, 25 cents higher at HK$9.70.

Property, telecommunications and oil group Hutchison lost 5 cents to HK$8.30 after reporting 1987 profits slightly below expectations. Elders Investments added 40 cents to HK$11.80 after being suspended pending news it is providing funding for Texas-based Desert Partners to acquire a US gypsum company.

Singapore

SPECULATIVE buying and bargain hunting, *mainly* by small investors, helped reverse four days of declines, with the Straits Times Industrial index rising 10.72 to 930.07.

The market took heart from previous gains on Wall Street and in Tokyo, though volume was lower than Tuesday's 23.8m shares, with 21.6m shares changing hands yesterday.

Australia

INDUSTRIAL stocks led the market higher as confidence returned following gains elsewhere in world markets.

The All Ordinaries index gained 20.5 to 1,416.5, with the mining index 5.1 higher at 694.9.

Among industrials, banks, transport and entrepreneurial stocks saw the most demand. In banks, Westpac rose 16 cents to A$5.78, the NAB 8 cents to A$5.20.

Brierley Investments was down 5 cents at A$1.20 on news it had sold part of its New Zealand joint venture Printpac.

Adelaide Steamship advanced 4 cents to A$5.84 after announcing it had acquired a 19.9 per cent stake in the Pioneer Property Group, unchanged at 40 cents.

SOUTH AFRICA

A SHARP weakening of the financial rand and a steady bullion price helped Johannesburg gold stocks close firmer. Trading remained quiet in anticipation of the Easter break.

Among gold issues, Freegold gained 75 cents to R30.75 and Buffelsfontein rose R1 to R52.

Rustenhurg Platinum increased R1.40 to R31.50 before announcing details of its agreement with the Lebowa Government concerning mining lease rights and development of a new mine in the Lebowa homeland.

FT – ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY MARCH 29 1988					MONDAY MARCH 28 1988			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1987/88 High	1987/88 Low	Year ago (approx)
Australia (89)	113.49	+1.3	89.96	102.74	4.13	112.05	89.36	101.65	180.81	85.36	123.26
Austria (16)	91.07	−0.2	72.19	78.67	2.66	91.26	72.78	78.79	102.87	84.35	93.14
Belgium (48)	134.36	−0.8	106.50	115.81	4.16	135.39	107.97	116.52	139.89	94.63	113.95
Canada (126)	121.59	+1.3	96.38	108.87	3.03	120.05	95.74	107.57	141.78	98.15	130.50
Denmark (38)	118.88	−0.9	94.23	103.16	2.79	119.95	95.66	103.80	124.83	98.18	113.65
Finland (23)	124.33	+0.4	98.55	104.58	1.93	123.82	98.75	104.14	–	–	–
France (121)	82.88	+0.6	65.70	73.23	4.38	82.36	65.68	72.70	121.82	72.77	118.96
West Germany (94)	77.93	+2.2	61.77	67.31	2.74	76.25	60.81	65.84	104.93	67.78	92.35
Hong Kong (46)	98.57	+2.1	78.13	98.77	4.40	96.50	76.96	96.68	158.68	73.92	107.93
Ireland (14)	121.14	+1.6	96.02	106.08	4.32	119.20	95.07	104.29	160.22	93.50	127.17
Italy (94)	77.33	+0.4	61.29	71.00	2.72	77.02	61.42	70.69	112.11	62.99	102.47
Japan (457)	170.08	+0.9	134.81	133.85	0.53	168.60	134.46	132.31	170.08	100.00	130.84
Malaysia (36)	118.05	−0.6	93.57	116.62	3.33	118.80	94.74	117.08	193.64	93.76	131.29
Mexico (14)	142.67	+1.8	113.08	355.33	1.00	140.13	111.75	349.00	422.59	90.07	152.34
Netherland (37)	107.94	+2.9	85.55	91.93	5.01	104.93	83.69	89.30	131.41	87.70	113.86
New Zealand (22)	75.90	+4.9	60.16	61.71	5.60	72.38	57.72	59.39	138.99	64.42	97.25
Norway (24)	122.24	+2.3	96.89	103.91	2.92	119.44	95.26	101.45	185.01	95.51	124.35
Singapore (26)	107.97	−0.8	85.58	99.76	2.36	108.80	86.77	100.45	174.28	81.21	118.51
South Africa (61)	137.39	+1.6	108.90	81.17	5.23	135.21	107.84	79.88	198.09	100.00	173.97
Spain (43)	149.44	−0.4	118.45	125.83	3.36	150.00	119.63	126.08	168.81	100.00	111.30
Sweden (32)	116.22	+0.9	92.12	101.25	2.77	115.24	91.90	100.40	136.64	88.50	113.35
Switzerland (53)	81.51	+2.9	64.61	69.41	2.47	79.19	63.15	67.28	111.11	73.65	98.49
United Kingdom (327)	136.64	+1.6	108.31	108.31	4.47	134.54	107.30	107.30	162.87	99.65	129.66
USA (584)	106.35	+1.5	84.29	106.35	3.55	104.76	83.55	104.76	137.42	91.21	119.94
Europe (964)	107.88	+1.4	85.50	89.95	3.91	106.36	84.83	88.91	130.02	92.25	113.90
Pacific Basin (676)	165.05	+0.9	130.82	131.20	0.71	163.56	130.44	129.67	165.05	100.00	129.66
Euro-Pacific (1640)	142.19	+1.1	112.70	114.81	1.68	140.69	112.20	113.48	143.65	100.00	123.38
North America (710)	107.16	+1.5	84.94	106.52	3.52	105.58	84.20	104.95	137.55	91.68	120.50
Europe Ex. UK (637)	90.03	+1.3	71.36	78.44	3.40	88.89	70.89	77.37	111.97	78.89	104.16
Pacific Ex. Japan (219)	104.37	+1.6	82.73	97.09	4.20	102.69	81.90	95.69	164.03	82.92	115.31
World Ex. US (1841)	141.44	+1.1	112.11	114.37	1.76	139.93	111.59	113.04	143.38	100.00	124.19
World Ex. UK (2098)	127.04	+1.2	100.70	111.94	2.10	125.56	100.14	110.48	138.82	100.00	121.86
World Ex. So. Af. (2364)	127.82	+1.2	101.31	111.80	2.31	126.29	100.72	110.39	139.47	100.00	122.21
World Ex. Japan (1968)	107.64	+1.5	85.32	100 13	3.70	106.07	84.59	98.77	134.22	92.98	118.60
The World Index (2425)	127.89	+1.2	101.36	111.59	2.33	126.35	100.76	110.17	139.73	100.00	122.54

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local).
Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd.1987.
US Index based on 3 p.m.(Local time) prices.
Latest prices were unavailable for this edition.